

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,
Petitioner,

v.

SITO MOBILE R&D IP, LLC and SITO MOBILE, LTD.,
Patent Owner.

IPR2021-00308
Patent 8,825,887 B2

Before JONI Y. CHANG, THOMAS L. GIANNETTI, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

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

I. INTRODUCTION

Hulu, LLC (“Petitioner”) filed a Petition requesting an *inter partes* review (“IPR”) of claims 39, 40, 45, 47, 52, 68, 98–101, 103, 105, 111, and 115–117 (“the challenged claims”) of U.S. Patent No. 8,825,887 B2 (Ex. 1001, “the ’887 patent”). Paper 2 (“Pet.”), 1. SITO Mobile R&D IP, LLC and SITO Mobile Ltd. (collectively, “Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). Pursuant to our authorization, Petitioner filed a Reply (Paper 7, “Reply”) to address Patent Owner’s arguments concerning discretionary denial under § 314(a) in the Preliminary Response, and Patent Owner filed a Sur-reply (Paper 8, “Sur-reply”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “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.” For the reasons stated below, we determine that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one claim. We hereby institute an *inter partes* review as to all of the challenged claims of the ’887 patent and all of the asserted grounds of unpatentability.

A. Related Matter

The parties indicate that the ’887 patent is involved in *SITO Mobile R&D IP, LLC and SITO Mobile, Ltd. v. Hulu, LLC*, Case No. 6:20-cv-00472-ADA (W.D. Tex. 2020). Pet. 75; Paper 5, 1.

B. The '887 patent

The '887 patent is titled “System and Method for Routing Media” and “is related to the fields of management and administration of media streaming.” Ex. 1001, (54), 1:35–40. According to the '887 patent, the demand for digital media streaming services was increasing because digital media streaming can be used to create enhanced consumer and business services. *Id.* at 1:49–52. Figure 1 is reproduced below.

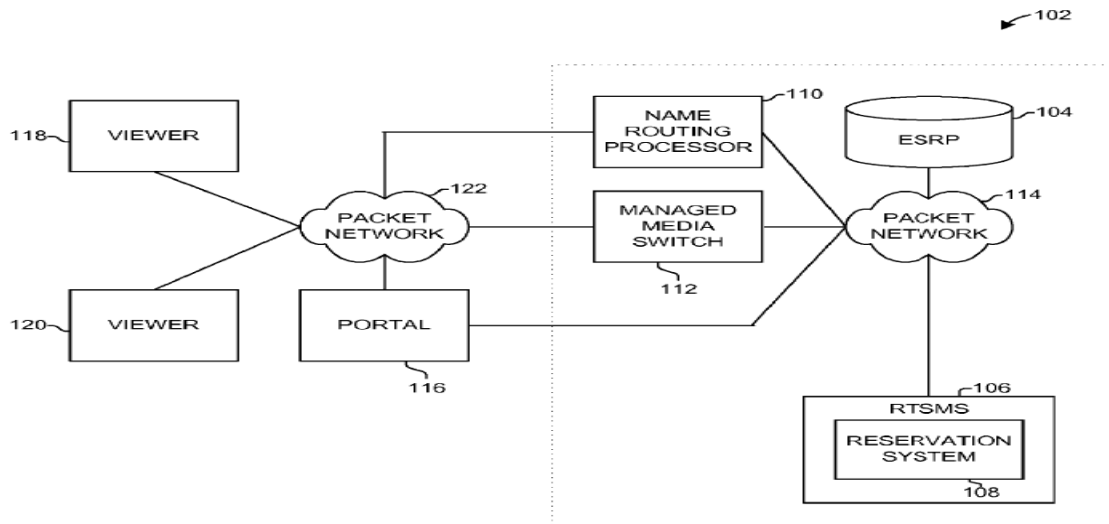


Figure 1 above depicts an exemplary embodiment of a streaming system. *Id.* at 4:5–56. Streaming system 102 comprises enhanced service routing processor (ESRP) 104, real time switch management system (RTSMS) 106, reservation system 108, name routing processor (NRP) 110, and managed media switch (MMS) 112, each of which communicates through packet network 114. *Id.* at 4:56–63. Portal 116 communicates with reservation system 108 of RTSMS 106 via packet network 114, and one or

more viewers 118 and 120 may communicate with NRP 110, MMS 112, and/or portal 116 via packet network 122. *Id.* at 4:63–67.

C. Illustrative Claim

Of the challenged claims, claims 39, 45, 68, 98 are independent. Claim 40 depends from claim 39; claims 47 and 52 depend from claim 45; claim 99–101, 103, 105, 111, and 115–117 depend from claim 98.

Claim 39 is illustrative:

39. A method comprising:

[39.a] receiving, at at least one computing device via a communication network, a request for media from at least one communication device, the at least one communication device capable of executing instructions received from the at least one computing device to obtain at least one portion of the requested media using at least one resource other than the at least one computing device;

[39.b] identifying, at the at least one computing device, whether the requested media is available for streaming to the at least one communication device in accordance with at least one program;

[39.c] generating, at the at least one computing device based on the at least one program, one or more capabilities of the communication device, and at least one characteristic associated with a user of the communication device,

[39.c.1] (i) at least one list identifying at least a portion of the requested media,

[39.c.2] (ii) at least one identification of the at least one resource other than the at least one computing device available to facilitate streaming of the at least one portion of the requested media, and

[39.c.3] (iii) one or more instructions as to how the at least one portion of the requested media is to be streamed to the communication device;

[39.d] transmitting the at least one list, the least one identification of the at least one resource, and the one or more instructions from the at least one computing device to the at least one communication device via the communication network;

[39.e] identifying at least one revenue sharing rule for sharing between at least two parties at least a percentage of revenue generated by streaming the at least the portion of the requested media; and

[39.f] generating at least one settlement record based on the at least one revenue sharing rule for sharing between the at least two parties the at least the percentage of revenue generated by streaming the at least the portion of the requested media.

Ex. 1001, 55:19–58 (bracketed matters and line breaks added).

D. Prior Art and Other Evidence

Petitioner relies upon the references listed below (Pet. 10):

Name	Reference	Date	Exhibit No.
Eyal	U.S. Patent No. 6,389,467 B1	May 14, 2002	1005
Chang	U.S. Patent No. 6,715,126 B1	Mar. 30, 2004	1009
Wolfe	U.S. Patent No. 5,931,901	Aug. 3, 1999	1044
Angles	U.S. Patent No. 6,385,592 B1	May 7, 2002	1045
Madison	U.S. Patent Pub. No. 2004/0083273A1	Apr. 29, 2004	1051

Petitioner also relies on the Declaration of Henry Houh, Ph.D. Ex. 1003.

E. Asserted Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability (Pet. 2)¹:

Claim(s) Challenged	35 U.S.C. §	References
39, 40, 45, 47, 52, 68, 98–101, 103, 111, 115–117	103(a)	Eyal, Angles
105	103(a)	Eyal, Angles, Chang
39, 45, 52, 68, 98–101, 103, 105, 111, 115, 117	103(a)	Madison, Wolfe

II. ANALYSIS

A. Discretionary Denial Under 35 U.S.C. § 314(a)

Institution of an *inter partes* review is discretionary. Section 314(a) of title 35 of the United States Code provides that “[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” The U.S. Supreme Court has explained that because § 314 includes no mandate to institute review, “the agency’s decision to deny a

¹ For purposes of this Decision, we assume the claims at issue have an effective filing date prior to March 16, 2013, the effective date of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), and we apply the pre-AIA versions of 35 U.S.C. §§ 102 and 103.

petition is a matter committed to the Patent Office’s discretion.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016); *see also Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). The Director has delegated this authority under § 314(a) to the Board. 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”).

In this proceeding, Patent Owner argues that we should exercise discretion to deny institution under § 314(a) “because of the advanced state of parallel litigation.” Prelim. Resp. 1. Patent Owner contends that each of the factors identified in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), weighs in favor of denying institution. Prelim. Resp. 4.

In *Fintiv*, the Board ordered supplemental briefing on a nonexclusive list of factors for consideration in analyzing whether the circumstances of a parallel district court action are a basis for discretionary denial of trial institution under *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential). *Fintiv*, Paper 11 at 5–16.

Those factors include:

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.

Id. at 5–6. Here, we consider these factors to determine whether we should exercise discretion to deny institution. In evaluating the 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.

Factor 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted

Petitioner argues that this factor is “neutral given that courts commonly stay cases upon IPR institution.” Pet. 73.

Patent Owner argues that this factor favors discretionary denial because Petitioner “has not asked for a stay pending *inter partes* review, and there is no evidence that Judge Albright would grant a stay even if an IPR were instituted.” Prelim. Resp. 5–8.

In its Reply, Petitioner argues that Patent Owner's argument is based on speculation as to what Judge Albright might do. Reply 2.

In its Sur-reply, Patent Owner argues that “the record evidence shows that the Board need not speculate” because “Judge Albright has repeatedly denied *all* contested motions to stay.” Sur-Reply 2.

On the record before us, neither party has produced evidence that a stay has been requested or that the district court has considered a stay in the

parallel litigation. Patent Owner's reliance on other cases in which Judge Albright denied requests for stay is misplaced. As the Board has explained, "[a] judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties." *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 12 (PTAB May 13, 2020) (informative) ("*Fintiv II*"). "We decline to infer, based on actions taken in a different case with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here." *Id.*

Accordingly, we find that this factor does not weigh for or against exercising our discretion to deny institution.

Factor 2: proximity of the court's trial date to the Board's projected statutory deadline for a final written decision

Petitioner argues that this factor "is neutral, as a final written decision will issue close to trial." Pet. 73. In its Reply, Petitioner argues that the Board has previously recognized that trial dates are uncertain, and that the ongoing COVID-19 pandemic exacerbates that uncertainty. Reply 3–4.

Patent Owner argues that this factor favors discretionary denial because the district court trial is scheduled to begin on March 7, 2022. Prelim. Resp. 8–9. In its Sur-reply, Patent Owner argues that "[t]here is no indication whatsoever that the district court trial date will be delayed because of COVID-19." Sur-reply 2–3.

According to the Amended Scheduling Order, the district court trial is scheduled to begin on March 7, 2022, which is less than *three month* before a Final Written Decision would be due in this proceeding. Ex. 2002, 4.

We generally take courts' trial schedules at face value absent some strong evidence to the contrary. *See Fintiv II*, Paper 15 at 13. Because the currently scheduled District Court trial is scheduled to begin less than three months before our deadline to reach a final decision, we find that factor 2 weighs marginally in favor of exercising our discretion to deny institution.

Factor 3: investment in the parallel proceeding by the court and the parties

Petitioner argues that this factor “weighs heavily in favor of institution because the court has invested very limited resources in this case.”

Pet. 71–72.

Patent Owner counters that Petitioner waited more than six months to file its IPR Petition after being served with the complaint in the district court action, and that because Petitioner “did not file its Petition expeditiously, the Court and the parties will have reached a verdict well before the time the Board issues its final written decision.” Prelim. Resp. 9–12.

In its Reply, Petitioner argues that “[t]he combination of the district court case being in its very early stages and Petitioner’s diligence in filing the petition weighs against denial of institution.” Reply 4–5. Petitioner avers that “[b]y the institution deadline, no major orders will have been issued, fact discovery will have months remaining, and expert reports will not have been served.” *Id.* at 4. Petitioner also contends that “Petitioner filed approximately two and a half months after receiving Patent Owner’s preliminary infringement contentions.” *Id.* at 5 (citing Prelim. Resp. 9–10).

In its Sur-reply, Patent Owner asserts that a “Markman hearing was held on March 22, 2021 . . . and the Claim Construction Order issued March 25, 2021.” Sur-reply 4. Further, Patent Owner asserts “the parties are in fact discovery and will have already exchanged their final infringement and invalid contentions before any institution decision issues.” *Id.*

Based on the present record, we are persuaded by Petitioner’s showing that the district court and the parties have not invested substantially in the merits of the invalidity positions. There is no indication in the record that the parties have completed significant discovery on the merits. We agree with Petitioner that the district court proceeding remains at the early stages, and a significant portion of work still remains to be done in the district court proceeding—e.g., amending pleadings (May 28, 2021), meeting and conferring to discuss significantly narrowing the number of claims asserted and prior art references at issue (September 3, 2021, and December 3, 2021), the completion of fact discovery (October 1, 2021) and expert discovery (November 23, 2021); and meeting the dispositive motion and *Daubert* motion deadlines (December 10, 2021). *Id.*

Moreover, the evidence shows that Petitioner acted diligently, filing its Petition approximately six months after the complaint was filed and around three months after receiving Patent Owner’s preliminary infringement contentions. Prelim. Resp. 9–10. As Patent Owner noted, it served its complaint for infringement on June 8, 2020, and its preliminary infringement contentions on September 11, 2020. *Id.* at 9. The Petition was

filed on December 10, 2020, prior to the deadline for the parties' opening claim construction briefs (December 18, 2020). *Id.* at 10.

Therefore, weighing the facts in this particular case, including the time invested by the parties and the district court in the parallel litigation, the extent to which the investment in the district court proceeding relates to issues of patent validity, and the timing of the filing of the Petition, we find that factor 3 weighs in favor of instituting a trial.

Factor 4: overlap between issues raised in the petition and in the parallel proceeding

Petitioner argues that this factor “weighs heavily in favor of institution, as [Petitioner] stipulates . . . that if the PTAB institutes on this Petition, [Petitioner] will not pursue invalidity against the asserted claims in the District Court . . . based on Eyal or Madison, the primary references here.” Pet. 72 (citing Ex. 1048).

Patent Owner argues that Petitioner's stipulation fails to cure any potential overlap and that Petitioner “is free to assert *Angles*, *Wolfe*, and *Chang* as a basis for invalidity before the District Court because it does not identify that reference as ‘primary references.’” Prelim. Resp. 13–16.

In its Reply, Petitioner argues that “the Board has repeatedly found similar, or even narrower, stipulations sufficient to weight this factor against discretionary denial.” Reply 6.

In its Sur-reply, Patent Owner argues that Petitioner's “stipulation fails to eliminate the substantial overlap of issues between the District Court litigation and the IPR” proceeding, because “*nothing* prevents [Petitioner]

from pursuing in the District Court invalidity theories based on the *Angles*, *Wolfe*, and *Chang* references” or “other references cumulative to the primary references at issue here.” Sur-reply 5–6.

We are persuaded by Petitioner’s arguments that the overlap is limited as a result of the stipulation. Notably, Petitioner’s stipulation that it will not pursue in district court “any grounds using the primary references from the IPR” (Pet. 70; Reply 6) is similar to the stipulation provided in *Sand Revolution*. *Sand Revolution II, LLC v. Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24, 12 n.5 (PTAB June 16, 2020) (informative). In *Sand Revolution*, the Petitioner stipulated “only that it will not pursue, in district court, the ‘same grounds’ presented in the Petition.” *Id.* Consistent with *Sand Revolution*, we find Petitioner’s stipulation mitigates to some degree the concerns of duplicative efforts between district court and the Board, as well as concerns of potentially conflicting decisions. *See id.* at 11–12. Therefore, we determine that this factor weighs marginally in favor of instituting a trial.

Factor 5: whether the petitioner and the defendant in the parallel proceeding are the same party

It is undisputed that Petitioner is a defendant in the parallel litigation. Petitioner argues that this factor should be neutral. Reply 6–7. Patent Owner counters that “this factor clearly favors denial because it covers the exact same parties litigating the exact same patents.” Sur-reply 7.

As the Board explained in *Fintiv*, “[i]f a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact

against exercising discretion to deny institution under NHK.” Fintiv, Paper 11 at 13–14 (emphasis added). The Board determined in *Sand Revolution* that “[a]lthough it is far from an unusual circumstance that a petitioner in *inter partes* review and a defendant in a parallel district court proceeding are the same, or where a district court is scheduled to go to trial before the Board’s final decision would be due in a related *inter partes* review, this factor weighs in favor of discretionary denial.” *Sand Revolution*, Paper 24 at 12–13. The Board has also held that “[b]ecause the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *See Fintiv II*, Paper 15 at 15. Here, it is undisputed that Petitioner is a defendant in the parallel litigation scheduled to go to trial before the final written decision is due in this proceeding. Pet. 75; Prelim. Resp. 16. Therefore, we find that factor 5 weighs in favor of denying institution.

Factor 6: other circumstances that impact the Board’s exercise of discretion, including the merits.

The final *Fintiv* factor is a catch-all that takes into account any other relevant circumstances. The decision whether to exercise discretion to deny institution is based on “a balanced assessment of all relevant circumstances in the case, including the merits.” Consolidated Trial Practice Guide 58, available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>. “For example, if the merits of a ground raised in the petition seem particularly strong on the preliminary record, . . . 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.” *Fintiv*, Paper 11 at 14–15. A full merits analysis is not necessary as part of deciding whether to exercise discretion not to institute, but rather the parties may point out, as part of the factor-based analysis, particular “strengths or weaknesses” to aid the Board in deciding whether the merits tip the balance one way or another. *Id.* at 15–16.

Patent Owner argues that “institution of the present proceeding[] will also give rise to substantial duplication of efforts” and that “with the United States Supreme Court taking up the issue of the Appointments Clause set forth in the *Arthrex* cases, institution of further IPRs is ill advised at this time.” Prelim. Resp. 17. In its Sur-Reply, Patent Owner “acknowledges that *Arthrex* does not serve as an independent basis for denial.” Sur-Reply 7.

Patent Owner’s arguments are unavailing as to this factor. Patent Owner’s argument regarding duplication of efforts has been considered in factor 4 above. As to Patent Owner’s *Arthrex* argument, Patent Owner “acknowledges that *Arthrex* does not serve as an independent basis for denial.” Sur-Reply 7. That argument is addressed below in the “Constitutional Arguments” section.

Furthermore, at this preliminary stage of this proceeding Patent Owner proffers no substantive arguments to rebut Petitioner’s asserted ground of unpatentability. We have reviewed Petitioner’s unpatentability arguments and supporting evidence. As discussed below, on this record, we determine that Petitioner has demonstrated sufficiently for purposes of this

Decision that the challenged claims of the '887 patent are unpatentable. Based on this preliminary record, however, we cannot discern whether the merits are particularly strong here.

In addition, in *Apple v. Seven Networks*, the Board took “into account the Office already has instituted proceedings challenging other patents in dispute in the co-pending parallel litigation” and “acknowledge[d] that it would be inefficient to discretionarily deny institution of this Petition, which we find meets the statutory threshold for institution, after having instituted petitions challenging other patents in dispute in the parallel litigation.” *See Apple v. Seven Networks*, IPR2020-00235, Paper 10 at 17 (July 28, 2020) (PTAB July 28, 2020).

Here, the Office similarly has instituted several proceedings challenging other patents in dispute in the parallel litigation—namely, CBM2020-00028 (instituted March 18, 2021), IPR2021-00158 (instituted April 20, 2021), IPR2021-00206 (instituted May 10, 2021), IPR2021-00219 (instituted May 10, 2021), and IPR2021-00265 (instituting concurrently). In those proceedings, we are considering the same three references (Eyal, Chang, and Madison) as here, and the specification and claims of the challenged patents in those proceedings are similar to those before us here.

This overlap in the proceedings is a further factor weighing in favor of institution.

Conclusion on Discretionary Denial Under § 314(a)

As noted in *Fintiv*, we consider the above six factors when taking “a holistic view of whether efficiency and integrity of the system are best

served by denying or instituting review.” *Fintiv*, Paper 11 at 6. As discussed above, factor 1 is neutral, factor 2 weighs marginally in favor of denying institution, factors 3 and 6 weigh in favor of instituting a trial, factor 4 weighs marginally in favor of instituting a trial, and factor 5 weighs in favor of denying institution.

On the present record, Petitioner was diligent in pursuing its Petition, which weighs against exercising our discretion to deny institution. Petitioner’s stipulation mitigates to some degree the concerns of duplicative efforts between district court and the Board, as well as concerns of potentially conflicting decisions. Moreover, the existence of other instituted proceedings before the Board involving related patents and identical prior art is a further reason not to deny institution here.

Accordingly, under the particular circumstances of this case, we are not persuaded that the interests of efficiency and integrity of the system would be best served by invoking our authority under § 314(a) to deny institution of a potentially meritorious Petition.

B. Patent Owner’s Constitutional Arguments

Patent Owner argues that the Petition should be denied because this proceeding “is carried out by a final order issued by Administrative Patent Judges who have not been nominated by the President and confirmed by the Senate.” Prelim. Resp. 16–17. According to Patent Owner, the remedy in *Arthrex* is insufficient. *Id.* (citing *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1325 (Fed. Cir. 2019)). However, Patent Owner’s constitutional

challenge as to this issue—whether the as-constituted panel is constitutional—has been addressed by the Federal Circuit’s decision. *See Arthrex*, 941 F.3d at 1337 (“This as-applied severance . . . cures the constitutional violation . . .”). Accordingly, we do not consider this issue any further.

C. Claim Construction

In an *inter partes* review, we construe a patent claim “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).” 37 C.F.R. § 42.100(b) (2019). Under this standard, the words of a claim generally are given their “ordinary and customary meaning,” which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

In light of Petitioner’s arguments and supporting evidence in this present record, we find that it is necessary to construe only the claim term “settlement record” for our determination of whether to institute a review. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (noting that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

“settlement record”

Petitioner asserts that the claim term “settlement record” should be construed as “a billable event record to be used for revenue settlement purposes.” Pet. 11–12 (citing Ex. 1003 ¶¶ 121, 122). Patent Owner has submitted the district court’s claim construction order, but has not, at this stage, urged adoption of any of the district court’s preliminary constructions in this proceeding. Ex. 2011 (District Court Claim Construction Order setting forth its preliminary construction in the parallel litigation).

For the purposes of this Decision, we agree with Petitioner, as it is consistent with the claim language and Specification.

As Petitioner points out, claims 39, 45, 68, and 98 indicate that the settlement record is associated with “streaming the at least the portion of the requested media” and is accordingly generated on a per-ad basis. Pet. 11. According to Petitioner, the Specification equivalent is called a “message sequence detail record (MSDR)” which is created for each reservation. Ex. 1001, 12:18–21. “The MSDR represents a billable event record that will be used for revenue settlement purposes,” and “creates an auditable event record that is used for operational measurements and billing.” *Id.* at 12:25–26, 12:58–62.

Based on this current record, we agree with the Petitioner’s proposed claim construction for the claim term “settlement record” and adopt it for purposes of this Decision. In particular, we construe “settlement record” as “should be construed as “a billable event record to be used for revenue settlement purposes.”

D. Principles of Law

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, “would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of non-obviousness.² *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

E. Level of Ordinary Skill in the Art

In determining the level of ordinary skill in the art, various factors may be considered, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC, Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (quotation marks omitted).

Here, Petitioner asserts that a person of ordinary skill in the art of the ’887 patent would have had “at least a bachelor’s degree in computer

² Neither party presents evidence or arguments regarding objective evidence of non-obviousness in the instant proceeding at this time.

science, electrical or computer engineering, or equivalent.” Pet. 8. And such an artisan also would have had “at least two years of experience in distributed systems, multimedia streaming, and various HTTP-related technologies, or an equivalent amount of relevant work or research experience,” citing to the Declaration of Dr. Houh for support. *Id.* (citing Ex. 1003 ¶¶ 58–61). At this juncture, Patent Owner does not proffer any assessment regarding the knowledge of an ordinarily skilled artisan.

For purposes of this Decision, we adopt the level of ordinary skill as articulated by Petitioner because, based on the current record, this proposal appears to be consistent with the ’887 patent, prior art of record, and supported by the testimony of Dr. Houh.

F. Overview of the Asserted Prior Art

1. Eyal (Exhibit 1005)

Eyal is titled “Streaming Media Search and Continuous Playback System of Media Resources Located by Multiple Network Addresses.” Ex. 1005, code (54). Eyal discloses “a computer system that enables a continuous streaming media playback from a distribution of sites available over a network such as the Internet.” *Id.* at 1:17–19. Figure 19 of Eyal is reproduced below (color annotations added by Petitioner (Pet. 13)).

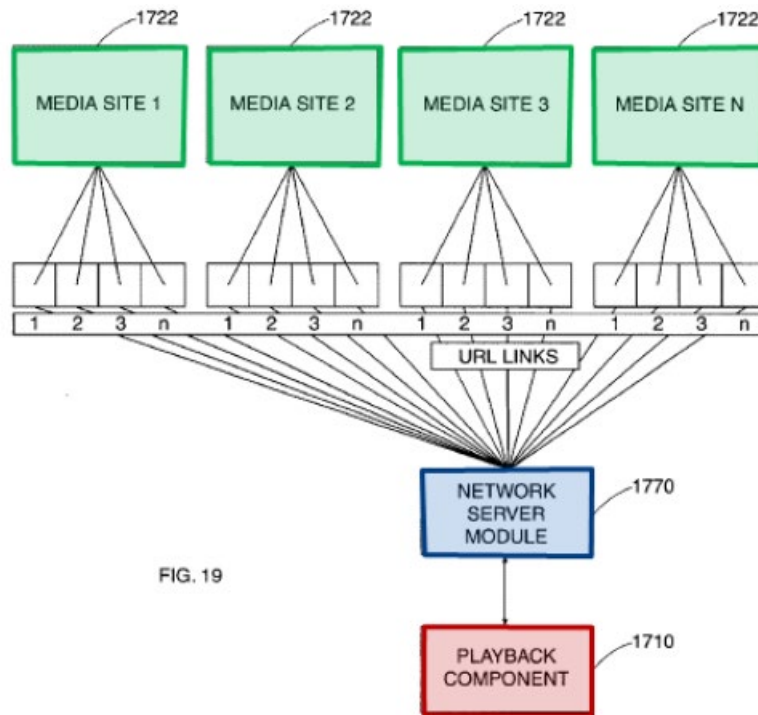


FIG. 19

Annotated Figure 19 of Eyal above illustrates a system that allows media streaming “from multiple sites on the Internet based on personalized criteria set forth by users.” *Id.* at 10:1–3, 32:43–44. User terminal 1710 (red), via network server module 1770 (blue), has access to network media sites 1722 (green) that provide access to media. *Id.* at 32:43–46. Each of media sites 1722 has one or more links to media web resources, which are represented by URLs 1–N. *Id.* at 32:47–48. Media sites 1722 correspond to different locations on the Internet. *Id.* at 32:54–55.

“The network server receives a request for media playback from the network enabled device, selects multiple addresses from the database, and signal[s] the multiple addresses to the network enabled device.” *Id.* at 2:35–38. After receiving a request for media, a play-list generator creates a

play-list that includes a plurality of media links and sends it to the requesting device. *Id.* at 4:47–55, 9:13–21, 27:33–35. Each media link in the play-list locates a media file on the network. *Id.* The play-list may provide instructions to the playback device and include a variety of metadata, such as duration, media URL, source website, media type, clip broadcast quality, and image size for video. *Id.* at 12:37–63, 27:35–37. Other media, including targeted commercials, “may be inserted into the play-lists in various locations between media clips.” *Id.* at 13:1–8.

To playback the requested media, “[t]he user terminal then accesses the URL and loads the web resource[s] associated with that media link into a streaming media playback component on the user terminal.” *Id.* at 27:37–40. A play-list that has a plurality of media links allows the media playback component to play media continuously from numerous sites on a network. *Id.* at 27:47–60.

2. Angles (Exhibit 1045)

Angles discloses a system and method for delivering customized electronic advertisement in an interactive communication system. Ex. 1045, (57). According to Angles, “[t]he customized advertisements are selected based on consumer profiles and are then integrated with offerings maintained by different content providers.” *Id.* Angles also discloses a feature that “allows the advertisement provider to monitor the number of advertisements viewed by consumers associated with a particular content provider,” so that “the content providers can receive advertising revenue based on the number of consumers who access their websites,” and the

“advertisement provider . . . pay[s] the content provider based on the volume of advertisements actually displayed by the content provider.” *Id.* at 4:19–28, 16:30–33.

3. Chang (Exhibit 1009)

Chang discloses a method for efficiently delivering a presentation of web media contents, together with other content sources. Ex. 1009, (57). In a preferred embodiment, Chang teaches a HotAudio file with metadata specifying frame rate, bit rate, and sequence. *Id.* at 4:11–12, 5:25–9:25, 7:1–18, Table 4, Fig. 2.

4. Madison (Exhibit 1051)

Madison discloses a method and system for uploading, managing and delivering digital content, including streaming media. Ex. 1007, (57).

Figure 1 of Madison is reproduced below.

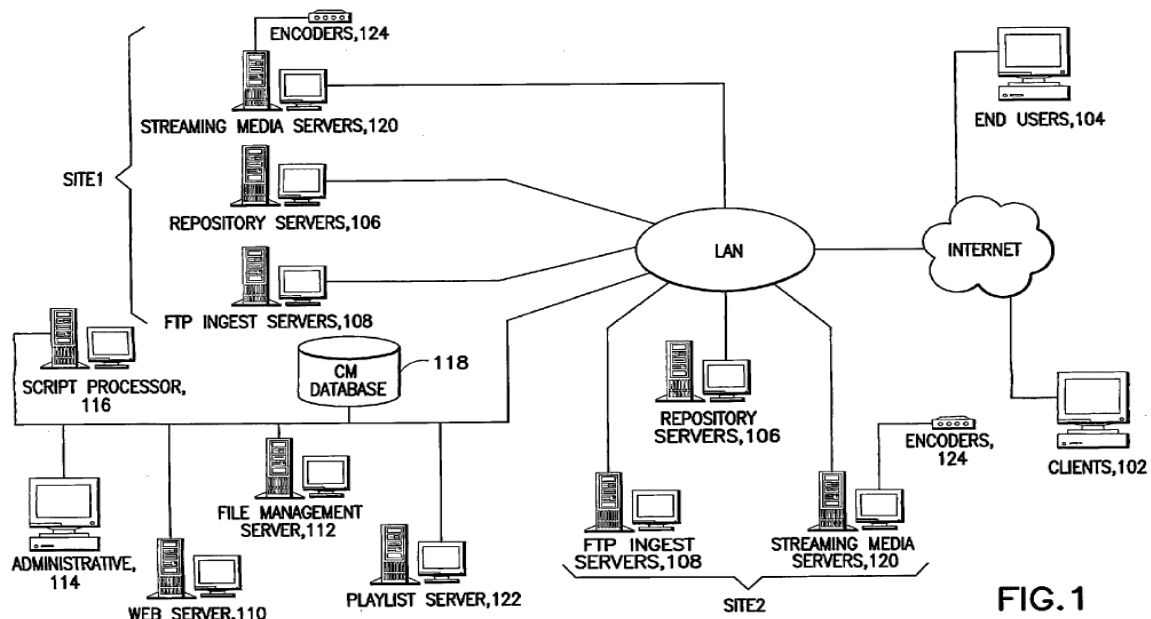


FIG. 1

Figure 1 of Madison above illustrates a system that allows clients 102 to up-load streaming media content, manage the content, and make the content available to end-users 104 via a web site on the Internet. *Id.* ¶ 20. Specifically, clients 102 up-load content to repository servers 106 either directly, via an HTTP up-load, or via FTP ingest servers 108. *Id.* ¶ 22. Once the content is up-loaded, each client 102 may manage its content via a content management web site provided by client-side web server 110. *Id.* The up-loaded content is eventually transferred to streaming media servers 120, where it is available for streaming via the Internet. *Id.* ¶ 25. An end user may make a request for content by clicking on an URL, which identifies media content. *Id.* ¶ 106. The request is directed to playlist server 122, which will execute the “makeplaylist.asp” program and dynamically generate a playlist redirector file. *Id.* ¶ 108. The redirector file comprises a list of URLs for each stream file, including the proper prefix (“mms://”), hostname (“mediaserver.company.com”), and stream filename (“filename.asf”), such as <“mms://mediaserver.company.com/ filename.asf”>. *Id.* ¶¶ 109, 110. Using the redirector file, the end user’s media player pulls each identified stream file from media server 120 identified in the redirector file in the order in which it appears in the file. *Id.* ¶ 111.

5. Wolfe (Exhibit 1044)

Wolfe discloses a system and method for delivering programmed music and targeted advertising messages to Internet based subscribers. Ex. 1044, (57). In a preferred embodiment, Wolfe discloses a program that

“tallies accounts, listing the frequency of play and transmission of music . . . to subscribers” for “calculating (if necessary) royalty fees payable to the owners of the music” and “preparing billing data for advertisers.” *Id.* at 5:26–44.

G. Obviousness over Eyal and Angles

Petitioner asserts that claims 39, 40, 45, 47, 52, 68, 98–101, 103, 111, and 115–117 are unpatentable under § 103(a) as obvious over Eyal and Angles. Pet. 12–41. At this juncture, Patent Owner does not present specific arguments regarding this asserted ground of unpatentability.

Upon consideration of Petitioner’s explanations and supporting evidence in this current record, we are persuaded that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that claims 39, 40, 45, 47, 52, 68, 98–101, 103, 111, and 115–117 are unpatentable under § 103(a) as obvious over Eyal and Angles.

1. Claim 39

Petitioner asserts that the combination of Eyal and Wiser teaches or suggests all of the limitations recited in claim 39. Pet. 17–25. Upon review of Petitioner’s argument and supporting evidence, we agree with Petitioner for purposes of this Decision.

For example, with respect to element 39.a, Petitioner argues that Eyal teaches “receiving a request for media playback from a network enabled device.” *Id.* at 17–19 (citing Ex. 1005, 1:63–65, 10:17–18, 10:33–38, 19:30–40, Fig. 4; Ex. 1003 ¶¶ 155–159). Petitioner points out that Eyal’s

end terminal (the claimed “communication device”) sends, via a communication network, the request to server modules (the claimed “computing device”), which provide the end terminal with instructions to obtain a portion of the requested media. Ex. 1005, 10:17–18, 10:33–38, 19:30–40, Fig. 4. The terminal executes the instructions and uses the identification of other resources (URLs mapping to media sites) to access sites on the network and play back media from those sites. *Id.* at 20:30–49, 27:47–53.

As to element 39.b, Petitioner contends that Eyal’s modules include a database management system and a program called the “automatic media verification and metadata extraction (AMVME) module” that identifies whether media is available for streaming. Pet. 19 (citing Ex. 1005, 12:64–67, 13:65–14:9, 14:50–62; Ex. 1003 ¶¶ 160, 161).

For element 39.c, Petitioner avers that Eyal teaches generating a response based on the terminal’s capabilities and characteristics associated with the user’s communication device. *Id.* at 20 (citing Ex. 1005, 19:21–23, 19:30–40, 21:35–46, 31:29–31, 33:9–15, Fig. 17; Ex. 1003 ¶¶ 162–165).

For element 39.c.1, Petitioner asserts that Eyal’s response includes identification metadata identifying a portion of the requested media. *Id.* at 21 (citing Ex. 1005, 12:37–63, 15:37–41, 15:55–58, 20:9–14, 20:30–36; Ex. 1003 ¶¶ 166, 167).

As to element 39.c.2, Petitioner contends that Eyal’s response includes URLs that map to addresses of media sites that facilitate streaming

the requested media. *Id.* (citing Ex. 1005, 19:41–54, 20:30–39, 32:20–34:3; Ex. 1003 ¶¶ 168, 169).

With respect to element 39.c.3, Petitioner argues that Eyal’s response includes instructions to obtain media from the play-list’s URLs. *Id.* at 22 (citing Ex. 1005, 12:43–63, 13:1–4, 27:1–28:58; Ex. 1003 ¶¶ 170–174).

For element 39.d, Petitioner avers that Eyal’s web server module transmits the response including the play-lists to the user terminal. *Id.* at 23 (citing Ex. 1005, 7:22–23, 9:14–16, 10:10–15, 20:30–64, Fig. 4; Ex. 1003 ¶¶ 175, 176).

As to element 39.e, Petitioner argues that Eyal teaches “links to streaming media commercials may be inserted into the play-lists in various locations between media clips.” *Id.* (citing Ex. 1005, 13:1–4). Petitioner also relies upon Angles to teach an advertising module that implements a revenue sharing rule between content providers, Internet service providers and pay consumers. *Id.* at 23–24 (citing Ex. 1045, 15:25–43, 16:20–56, 20:39–49). Dr. Houh testifies that a person of ordinary skill in the art would have been motivated to combine Angles’s advertising module with Eyal’s system “to track delivery of advertisements and more efficiently determine what payments and credits are needed for revenue derived from the delivery of those advertisements, and to free the content providers from the overhead of having to sell ads.” Ex. 1003 ¶ 179.

With respect to element 39.f, Petitioner asserts that Angles also teaches storing advertising audit information in an accounting database. Pet. 24–25 (citing Ex. 1045, 16:10–56, 21:19–36). According to Petitioner,

the claimed “settlement record” is met by the data stored in Angles’s accounting database because it records billable events (advertisements) for revenue settlement purposes (debiting/crediting the correct accounts) based on the revenue sharing rule. *Id.* (citing Ex. 1003 ¶¶ 181–183).

In light of the foregoing, we determine that, for purposes of this Decision, Petitioner has shown sufficiently that the combination of Eyal and Angles teaches or suggests all of the limitations recited in claim 39, and Petitioner has articulated an adequate reason to combine the prior art teachings with a reasonable expectation of success. As such, we are persuaded that Petitioner has established a reasonable likelihood of prevailing in showing that claim 39 would have been obvious over Eyal and Angles. At this juncture, Patent Owner does not present specific arguments regarding this claim.

2. Claims 40, 45, 47, 52, 68, 98–101, 103, 111, and 115–117

Having reviewed Petitioner’s arguments and supporting evidence in this present record, we determine that Petitioner has established adequately for purposes of this Decision that the combination of Eyal and Angles teaches or suggests the limitations of claims 40, 40, 45, 47, 52, 68, 98–101, 103, 111, and 115–117. *See* Pet. 25–41. Accordingly, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that those claims would have been obvious over the combination of Eyal and Angles. At this juncture, Patent Owner does not present specific arguments regarding these claims.

3. Conclusion on Obviousness over Eyal and Angles

Based on the evidence in the present record, we are persuaded that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that claims 39, 40, 45, 47, 52, 68, 98–101, 103, 111, and 115–117 are unpatentable under § 103(a) as obvious over the combination of Eyal and Angles.

H. Obviousness over Eyal, Angles, and Chang

Petitioner asserts that claim 105 is unpatentable under § 103(a) as obvious over Eyal, Angles, and Chang. Pet. 41–45.

Claim 105 depends from claim 98, and recites:

105. The media streaming management method of claim 98, further comprising generating and transmitting the communication based on one or more other rules associated with the requested media that *specify at least one of a frame rate, a bit rate, a sequence* associated with the requested media, and a *format* associated with the requested media.

Ex. 1001, 64:35–40 (emphases added).

Upon review of Petitioner’s argument and supporting evidence, we are persuaded by Petitioner’s showing for purposes of this Decision. For example, Petitioner contends that Eyal teaches URLs in the play-list are generated according to rules specifying the format associated with the requested media, and a sequence. Pet. 44 (citing Ex. 1005, 21:35–46, 27:47–60). Petitioner also relies upon Chang to teach metadata of a HotAudio File that specifies frame rate, bit rate, and sequence. *Id.* (citing Ex. 1009, 6:17–44, 7:1–18, 11:17–33). Dr. Houh testifies that a person of

ordinary skill in the art would have been motivated to use Chang's HotAudio file with the combined teachings of Eyal and Angles because Chang's HotAudio file would give "additional control to the system to ensure that play-lists were compatible with playback equipment, optimizing the equipment's performance." Ex. 1003 ¶¶ 287, 288.

Upon consideration of Petitioner's explanations and supporting evidence in this current record, we are persuaded that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that claim 105 is unpatentable under § 103(a) as obvious over Eyal, Angles, and Chang. At this juncture, Patent Owner does not present specific arguments regarding this asserted ground of unpatentability.

I. Obviousness over Madison and Wolfe

Petitioner asserts that claims 39, 45, 52, 68, 98–101, 103, 105, 111, 115, and 117 are unpatentable under § 103(a) as obvious over Madison and Wolfe. Pet. 45–71. At this juncture, Patent Owner does not present specific arguments regarding this asserted ground of unpatentability.

Upon consideration of Petitioner's explanations and supporting evidence in this current record, we are persuaded that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that claims 39, 45, 52, 68, 98–101, 103, 105, 111, 115, and 117 are unpatentable under § 103(a) as obvious over Madison and Wolfe.

1. Claim 39

Petitioner asserts that the combination of Madison and Wolfe teaches or suggests all of the limitations recited in claim 39. Pet. 54–61. Upon review of Petitioner’s argument and supporting evidence, we agree with Petitioner for purposes of this Decision.

For example, with respect to element 39.a, Petitioner argues that Madison’s end user devices make a request for media by selecting a link on a client’s web page, and that the playlist server in Madison responds with a redirector file, such as an ASX (Advanced Stream Redirector), which contains executable instructions for the end-user’s device to obtain media from the streaming media server (the claimed “resource”). *Id.* at 54–55 (citing Ex. 1051 ¶¶ 20, 21, 25, 109, 110; Ex. 1003 ¶¶ 299–301).

As to element 39.b, Petitioner contends that Madison’s computing device has a Streams2 Table with expiration dates identifying whether the associated media is available. *Id.* at 55–56 (citing Ex. 1051 ¶¶ 31, 32). Dr. Houh testifies that a person of ordinary skill in the art would have understood “this identification to be in accordance with a program, such as the program for deletion of expired content suggested by Madison.” Ex. 1003 ¶ 302 (citing Ex. 1051 ¶¶ 28, 34, 47, 109). Dr. Houh also testifies that such an artisan would have understood the Streams2 Table “to be part of Madison’s playlist server.” *Id.* ¶ 303.

For element 39.c, Petitioner asserts that Madison’s playlist server generates a redirector file based on at least one program, the capabilities of

the communication device, and user characteristics. Pet. 56–57 (citing Ex. 1051 ¶¶ 25, 31, 32, 34, 47, 70, 108; Ex. 1003 ¶ 306).

As to element 39.c.1, Petitioner contends that Madison’s redirector file includes a list of URLs containing stream filenames that identify portions of the requested media. *Id.* at 58 (citing Ex. 1051 ¶¶ 109, 110; Ex. 1003 ¶¶ 312, 313).

With respect to element 39.c.2, Petitioner argues that the URLs in Madison’s redirector file contain hostnames identifying media servers that facilitate streaming by providing media to the end-user. *Id.* (citing Ex. 1051 ¶¶ 102, 109, 111; Ex. 1003 ¶¶ 314, 315).

For element 39.c.3, Petitioner avers that a person of ordinary skill in the art would have understood that Madison’s ASX files include instructions for obtaining media. *Id.* (citing Ex. 1051 ¶¶ 25, 108, 109, Fig. 2b; Ex. 1017, 1, 4; Ex. 1003 ¶¶ 316–318).

As to element 39.d, Petitioner argues that Madison’s redirector file is sent to the end user via the Internet. *Id.* at 59 (citing Ex. 1051 ¶ 110, Fig. 1; Ex. 1003 ¶¶ 319, 320).

With respect to elements 39.e and 39.f, Petitioner asserts that Madison teaches inserting advertisements into the redirector file. *Id.* at 60 (citing Ex. 1051 ¶ 32). Petitioner also relies on Wolfe to teach a revenue sharing rule and the claimed “settlement record.” *Id.* In particular, Petitioner points out that Wolfe teaches a program that “tallies accounts, listing the frequency of play and transmission of music . . . to subscribers” for “calculating (if necessary) royalty fees payable to the owners of the music” and “preparing

billing data for advertisers.” *Id.* (quoting Ex. 1044, 5:26–44). Dr. Houh testifies that a person of ordinary skill in the art would have been motivated to combine Wolfe’s teachings with Madison’s system to allow a percentage of the advertising revenue to be shared between the music owners and the system operators. Ex. 1003 ¶¶ 321–325.

In light of the foregoing, we determine that, for purposes of this Decision, Petitioner has shown sufficiently that the combination of Madison and Wolfe teaches or suggests all of the limitations recited in claim 39, and Petitioner has articulated an adequate reason to combine the prior art teachings with a reasonable expectation of success. As such, we are persuaded that Petitioner has established a reasonable likelihood of prevailing in showing that claim 39 would have been obvious over Madison and Wolfe. At this juncture, Patent Owner does not present specific arguments regarding this claim.

2. Claims 45, 52, 68, 98–101, 103, 105, 111, 115, and 117

Having reviewed Petitioner’s arguments and supporting evidence in this present record, we determine that Petitioner has established adequately for purposes of this Decision that the combination of Madison and Wolfe teaches or suggests the limitations of claims 45, 52, 68, 98–101, 103, 105, 111, 115, and 117. *See* Pet. 61–71. Accordingly, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that those claims would have been obvious over Madison and Wolfe. At this juncture, Patent Owner does not present specific arguments regarding these claims.

3. Conclusion on Obviousness over Madison and Wolfe

For the foregoing reasons, we determine that Petitioner has established a reasonable likelihood of prevailing in showing that claims 39, 45, 52, 68, 98–101, 103, 105, 111, 115, and 117 are unpatentable under § 103(a) as obvious over Madison and Wolfe.

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 with respect to challenged claims 39, 40, 45, 47, 52, 68, 98–101, 103, 105, 111, and 115–117 of the '887 patent. At this juncture in the proceeding, we have not made a final determination with respect to the patentability of the challenged claims, or with respect to claim construction.

IV. ORDER

For the foregoing reasons, it is

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review is hereby instituted for the following asserted grounds:

Claim(s) Challenged	35 U.S.C. §	References
39, 40, 45, 47, 52, 68, 98–101, 103, 111, 115–117	103(a)	Eyal, Angles
105	103(a)	Eyal, Angles, Chang

Claim(s) Challenged	35 U.S.C. §	References
39, 45, 52, 68, 98–101, 103, 105, 111, 115, 117	103(a)	Madison, Wolfe

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial will commence on the entry date of this Decision.

IPR2021-00308
Patent 8,825,887 B2

PETITIONER:

Cameron Westin
Amy Liang
O'MELVENY & MYERS LLP
cwestin@omm.com
aliang@omm.com

FOR PATENT OWNER:

Jason Charkow
Chandran Iyer
GOLDBERG SEGALLA LLP
jason.s.charkow@gmail.com
cbiyer@goldbergsegalla.com