

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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AMAZON.COM, INC.  
Petitioner,

v.

Lexos Media IP, LLC  
Patent Owner.

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Case IPR2023-01001  
Patent 6,118,449

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**PATENT OWNER LEXOS MEDIA IP, LLC'S  
PRELIMINARY RESPONSE PURSUANT TO 37 C.F.R. § 42.107(a)**

## **TABLE OF CONTENTS**

<b>I. INTRODUCTION .....</b>	<b>1</b>
<b>II. THE BOARD SHOULD DISCRETIONARILY DECLINE INSTITUTION UNDER 35 U.S.C. § 314(A) &amp; <i>FINTIV</i> .....</b>	<b>3</b>
A. Standard for Denying Institution Under <i>Fintiv</i> .....	3
B. The Advanced State of the Parallel and Related Cases .....	5
C. All <i>Fintiv</i> Factors Favor <i>Discretionarily</i> Declining Institution .....	10
1. <i>Fintiv</i> Factor 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted .....	13
2. <i>Fintiv</i> Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision .....	15
3. <i>Fintiv</i> Factor 3: investment in the parallel proceeding by the court and the parties .....	16
4. <i>Fintiv</i> Factors 4 & 5: The Overlap Between the Issues Raised in the Petition and the Parallel Proceedings between the Petitioner and Patent Owner ...	19
5. <i>Fintiv</i> Factor 6: other circumstances that impact the Board’s exercise of discretion, including the merits .....	22
<b>III. THE BOARD SHOULD DISCRETIONARILY DECLINE INSTITUTION UNDER 35 U.S.C. § 325(d) .....</b>	<b>23</b>
A. Introduction .....	23
B. Standard for Denying Institution Under 35 U.S.C. § 325(d) .....	24
C. Substantially the Same Arguments Against the Challenged claims Based on Malamud Were Previously Presented to the PTAB .....	25
D. Nakagawa and Nielsen are Cumulative of Previous Art Combined with Malamud .....	27
<b>IV. THE BOARD SHOULD DECLINE INSTITUTION ON THE MERITS .....</b>	<b>27</b>

A. Standard For Granting <i>Inter Partes</i> Review .....	27
B. Level Of Ordinary Skill in the Pertinent Art .....	28
C. Claim Construction Standard .....	28
D. Proposed Constructions .....	29
1. “cursor display code” .....	29
2. “cursor display instruction” .....	29
3. “cursor image,” “initial cursor image,” “modified cursor image” .....	30
4. “said specific image includes content corresponding to at least a portion of said information that is to be displayed on said display of said user’s terminal” .....	30
E. Overview of the ’449 Patent .....	30
F. Overview of Malamud (EX1004) .....	35
G. Overview of Nakagawa (EX1005) .....	41
H. Overview of Nielsen (EX1006) .....	42
I. The Challenged Claims Are Not Rendered Obvious by Malamud (Ground 1) .....	45
1. Element 1[c][i]: a first server computer for transmitting specified content information to said remote user terminal .....	45
2. Element 1[c][iii]: wherein said specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information, and wherein said specified content information further comprises information to be displayed on said display of said user’s terminal .....	48
3. Element 1[c][iv]: said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user’s terminal, and wherein said cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor	

image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal, and wherein said specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal.....	50
4. Claim 27 .....	51
5. Element 53[a]: receiving a request at said at least one server to provide specified content information to said user terminal .....	51
6. Element 53[b]: providing said specified content information to said user terminal in response to said request, said specified content information including at least one cursor display instruction and at least one indication of cursor im-age data correspodng to a specific image.....	52
7. Element 53[c][i]: transforming said initial cursor image displayed on said display of said user terminal into the shape and appearance of said specific image in response to said cursor display instruction, wherein said specified content information includes information that is to be displayed on said display of said user's terminal, wherein said specific image includes content corresponding to at least a portion of said information that is to be displayed on said display of said user's terminal .....	52
8. Element 53[c][ii]: wherein said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal .....	54
9. Element 53[c][iii]: wherein said specific image has a shape and appearance relating to said information to be displayed .....	54
J. The Challenged Claims Are Not Rendered Obvious by Malamud and Nakagawa (Ground 2).....	55
K. The Challenged Claims Are Not Rendered Obvious by Nielsen and Malamud (Ground 3) .....	57

1. Element 1[Preamble]: A server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal, said system comprising: Element 1[c][iv]: ...said cursor display code is operable to process said cursor display instruction to modify said cursor image...	57
2. Element 1[c][ii]: said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image	63
3. Element 1[c][iv]: said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal, and wherein said cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal, and wherein said specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal	63
4. Claims 27 and 38	64
5. Element 53[Preamble]: A method for modifying an initial cursor image displayed on a display of a user terminal connected to at least one server, comprising: Element 53[c][ii]: ...said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image	64
6. Element 53[c][ii]: wherein said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal	65
<b>V. CONCLUSION</b>	65

**TABLE OF AUTHORITIES**

<b>Cases</b>	<b>Page(s)</b>
<i>Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH</i> , Case No. IPR2019-01469, Paper No. 6 (PTAB Feb. 13, 2020).....	23, 24, 25
<i>Apple Inc. v. Fintiv, Inc.</i> , Case No. IPR2020-00019, Paper No. 11 (PTAB Mar. 20, 2020) .....	passim
<i>Becton, Dickinson &amp; Co. v. B. Braun Melsungen AG</i> , Case No. IPR2017-01586, Paper No. 8 (PTAB Dec. 15, 2017) .....	24
<i>Cisco Sys., Inc. v. Estech Sys., Inc.</i> , Case No. IPR2021-00329, Paper 13 (PTAB July 6, 2021) .....	21
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S. Ct. 2131 (2016) .....	3
<i>Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.</i> , 807 F.2d 955 (Fed. Cir. 1986) .....	27
<i>E-One, Inc. v. Oshkosh Corp.</i> , Case No. IPR2019-00162, Paper No. 16 (PTAB June 5, 2019) .....	16
<i>Graham v. John Deere Co.</i> , 383 U.S. 1 (1966) .....	27
<i>Harmonic Inc. v. Avid Tech., Inc.</i> , 815 F.3d 1356 (Fed. Cir. 2016) .....	3
<i>In re GPAC, Inc.</i> , 57 F.3d 1573 (Fed. Cir. 1995) .....	27
<i>Lexos Media IP, LLC v. APMEX, Inc.</i> , 2:16-CV-00747-JRG (E.D. Tex.) .....	30
<i>Next Caller, Inc. v. TRUSTID, Inc.</i> , IPR2019-00963, Paper No. 8 (PTAB Oct. 28, 2019).....	16

<i>Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.</i> , 868 F.3d 1013 (Fed. Cir. 2017) .....	28
<i>SAS Inst. Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018) .....	3
<i>Vivid Techs., Inc. v. Am. Sci. &amp; Eng’g, Inc.</i> , 200 F.3d 795 (Fed. Cir. 1999) .....	28

## **Statutes**

35 U.S.C. § 314(a) .....	passim
35 U.S.C. § 325(d) .....	2, 22, 23

## **Other Authorities**

Trial Practice Guide, 77 Fed. Reg. 48,756 (Aug. 14, 2012) .....	26
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## **Regulations**

37 C.F.R § 42.8 .....	66
37 C.F.R. § 42.4(a) .....	3
37 C.F.R. § 42.108(c) .....	26

**EXHIBIT LIST**

<b>No.</b>	<b>Exhibit</b>
2001	Declaration of Dr. Michael Shamos
2002	<i>Curriculum vitae</i> of Dr. Michael Shamos
2003	Third Amended Docket Control Order ( <i>Amazon</i> Consolidated, Dkt. 124)
2004	Second Amended Docket Control Order ( <i>Nike</i> Consolidated, Dkt. 153)
2005	Initial & Claim Construction Phase Scheduling Order ( <i>Overstock</i> , Dkt. 32)
2006	Scheduling Order ( <i>eBay</i> , Dkt. 33)
2007	Scheduling Order ( <i>MSC</i> , Dkt. 34)
2008	Claim Construction Memorandum Opinion and Order ( <i>Amazon</i> , Dkt. 130)
2009	Memorandum and Order Denying Overstock's Motion to Stay Pending IPR ( <i>Overstock</i> , Dkt. 82)
2010	Order Granting MSC's Motion to Stay Pending Inter Partes Review ( <i>MSC</i> , Dkt. 65)
2011	Lexos Media LLC's Complaint for Patent Infringement against Amazon.Com, Inc. ( <i>Amazon</i> , Dkt. 1)
2012	Amazon (and Consolidated Defendants') Invalidity Contentions and Ineligibility Contentions
2013	Amazon's Motion for Leave to Amend Invalidity Contentions ( <i>Amazon</i> , Dkt. 115)
2014	Lexos Media's Response to Amazon's Motion for Leave to Amend Invalidity Contentions ( <i>Amazon</i> , Dkt. 133)
2015	Final Written Decision for the '102 Patent (IPR2018-01749, Paper 21, Ralph Lauren v. Lexos)
2016	Final Written Decision for the '449 Patent (IPR2018-01755, Paper 22, Ralph Lauren v. Lexos)



2017	Petition for Inter Partes Review of U.S. Patent No. 5,995,102 (IPR2018-01749, Paper No. 2)
2018	Petition for Inter Partes Review of U.S. Patent No. 6,118,449 (IPR2018-01755, Paper No. 2)
2019	Malamud Claim Chart – '102 Patent
2020	Malamud Claim Chart – '449 Patent

## I. INTRODUCTION

The Board should deny institution of *inter partes* review (“IPR”) of U.S. Patent No. 5,995,102 (“the ’102 Patent”) for three independent and related reasons.

*First*, the Board should apply its discretion to deny institution of trial on the Petition pursuant to 35 U.S.C. § 314(a) because Amazon filed its petition the day before the one year deadline, long after the scheduling order setting the January 22, 2023 trial date in the parallel district court litigation (the “Amazon Case”) – and all intermediate dates – was issued by the Court. Therefore, Amazon knew the parallel litigation would be tried less than six weeks after the December 14, 2023 due date for an institution decision on its Petition. The Eastern District has already issued a *Markman* Order, with all fact and expert discovery scheduled to be concluded, dispositive motions filed, and the Joint Pre-Trial Order submitted, before even the due date of the institution decision. Moreover, two other cases involving the challenged claims, the Office Depot Case and the Target Case, have been consolidated with the Amazon case and are on the same pre-trial deadlines as the Amazon Case.

Additionally, the “Nike Case” is scheduled for trial in the same district on April 15, 2024, with the “Gap Case,” “Walmart Case,” “Northern Tool Case,” “CDW Case” and “Ulta Beauty Case” consolidated therewith. These cases are also

in their advanced stages with their *Markman* Hearing set for October 12, 2023, experts reports due November 27, 2023 and pre-trial conference on March 11, 2024.

Furthermore, the “Overstock Case” is set for trial in the District of Kansas on October 28, 2024 and a *Markman* Hearing scheduled for November 20, 2023. The “eBay Case” is also in advanced stages, with infringement and invalidity contentions having been exchanged and claim construction briefing set for completion by September 27, 2023. Amazon’s request for *inter partes* review under these circumstances is wastefully duplicative.

*Second*, the Board should apply its discretion to deny institution of trial on the Petition pursuant to 35 U.S.C. § 325(d) because the Petition is cumulative of prior IPR2018-01755, involving the same patent and the same principal prior art (Malamud), which was already ruled to not be invalidating of the challenged claim 72. The combinations Amazon now asserts have the same deficiencies as the prior combinations which provides independent grounds for discretionary denial.

*Third*, the Board should decline to institute trial on the Petition due to its lack of merit. The challenged claim recites a server receiving a request for and providing “specified content information” which must include both “information that is to be displayed on said display of said user’s terminal” and “at least one indication of cursor image data corresponding to a specific image.” None of the Petition’s three

grounds show that Malamud discloses these limitations either alone, or in combination with Nakagawa or Nielsen.

For each of these independent reasons, institution should be denied.

## **II. THE BOARD SHOULD DISCRETIONARILY DECLINE INSTITUTION UNDER 35 U.S.C. § 314(A) & *FINTIV***

### **A. Standard for Denying Institution Under *Fintiv***

Institution of *inter partes* review is discretionary. 35 U.S.C. § 314(a); *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)); *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.”); *see also* 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”). “[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016). The Board should exercise its delegated discretion under 35 U.S.C. § 314(a) and deny institution of *inter partes* review in this proceeding due to the state of related proceedings in Table A, particularly in the Amazon Case. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”).

The Board's precedential decision in *NHK* explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a "factor that weighs in favor of denying the Petition under § 314(a)." *NHK*, Paper 8 at 20. The Board's precedential order in *Fintiv* identifies factors to be considered and balanced when a patent owner argues the Board should exercise discretion to deny institution in view of the advanced state of a parallel proceeding:

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

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

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

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

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

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

*Fintiv*, Paper 11 at 5–6.

These factors relate to “efficiency, fairness, and the merits” and require the Board to take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

## B. The Advanced State of the Parallel and Related Cases

Table A summarizes the status of the twelve related case involving the ’102 and ’449 Patents, eleven of which are in advanced stages:

**TABLE A<sup>1</sup>**

<b>Case<sup>2</sup></b>	<b>Filing Date</b>	<b>Trial Date</b>	<b>Status</b>
Lexos Media IP, LLC v. Amazon.com, Inc. 2-22-cv-00169 (EDTX)  (“Amazon Case”)	05/24/2022	<b>01/22/2024</b>	Infringement and Invalidity Contentions served, Markman Hearing Complete, <b>Markman Order issued 9/5/23</b> , Expert Reports Due <b>9/26/23</b> , <b>Pre-trial conference scheduled for December 18, 2023.</b>

<sup>1</sup> All dates are from the Docket Control, Scheduling or Case Management Orders from these cases: EX2003 Third Amended DCO (*Amazon* Consolidated, Dkt. 124); EX2004 Second Amended DCO (*Nike* Consolidated, Dkt. 153); EX2005 Initial & Claim Construction Phase Scheduling Order (*Overstock*, Dkt. 32); EX2006 Scheduling Order (*eBay*, Dkt. 33); EX2007 Scheduling Order (*MSC*, Dkt. 34).

<sup>2</sup> The blue shading represents the Amazon Consolidated Cases, the grey shading represents the Nike Consolidated Cases.

Lexos Media IP, LLC v. Target Corporation 2-22-cv-00175 (EDTX)  ("Target Case")	<b>05/25/2022</b>	<sup>3</sup>	Consolidated with Amazon case on <b>8/10/2022</b> . Infringement and Invalidity Contentions served, Markman Hearing Complete, <b>Markman Order issued 9/5/23</b> , Expert Reports Due <b>9/26/23</b> , <b>Pre-trial conference scheduled for December 18, 2023</b> .
Lexos Media IP, LLC v. Office Depot, LLC 2-22-cv-00273 (EDTX)  ("Office Depot Case")	<b>07/21/2022</b>		Consolidated with Amazon case on <b>08/19/2022</b> . Infringement and Invalidity Contentions served, Markman Hearing Complete, <b>Markman Order issued 9/5/23</b> , Expert Reports Due <b>9/26/23</b> , <b>Pre-trial conference</b>

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<sup>3</sup> Cases that have been consolidated under a lead case (*i.e.*, Target, Office Depot, Gap, Walmart, Northern Tool, CDW, and Ulta) list no trial date, but will immediately follow their lead case's trial date or, in the event the lead case settles or is otherwise disposed of, a consolidated case will be tried on the date listed for the lead case.

			<b>scheduled for December 18, 2023.</b>
Lexos Media IP, LLC v. Nike, Inc. 2-22-cv-00311 (EDTX)  ("Nike Case")	<b>08/11/2022</b>	<b>04/15/2024</b>	Infringement and Invalidity Contentions served, <b>Markman Hearing</b> set for <b>10/12/2023</b> , claim construction briefing underway, <b>expert reports due 11/27/2023, Pre- trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. Gap Inc. 2-22-cv-00299 (EDTX)  ("Gap Case")	<b>08/04/2022</b>		Consolidated with Nike on <b>12/02/2022</b> . <b>Markman Hearing</b> set for <b>10/12/2023</b> , claim construction briefing underway, <b>expert reports due 11/27/2023, Pre- trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. Walmart Inc. Walmart Stores, Inc. et al 2-22-cv-00316 (EDTX)  ("Walmart Case")	<b>08/17/2022</b>		Consolidated with Nike Case on <b>12/02/2022</b> , Infringement and Invalidity Contentions served, <b>Markman Hearing</b> set for <b>10/12/2023</b> , claim construction briefing underway,



			<b>expert reports due 11/27/2023, Pre-trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. Northern Tool & Equipment Company, Inc. 2-22-cv-00355 (EDTX)  ("Northern Tool Case")	<b>09/12/2022</b>		Consolidated with Nike on 12/02/2022, Infringement and Invalidity Contentions served, <b>Markman Hearing</b> set for <b>10/12/2023</b> , claim construction briefing underway, <b>expert reports due 11/27/2023, Pre-trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. CDW LLC 2-22-cv-00275 (EDTX)  ("CDW Case")	<b>07/22/2022</b>		<b>Markman Hearing</b> set for <b>10/12/2023</b> , claim construction briefing underway, <b>expert reports due 11/27/2023, Pre-trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. Ulta Beauty, Inc. 2-22-cv-00292 (EDTX)	<b>08/01/2022</b>		Consolidated with Nike on <b>12/02/2022</b> , Infringement and Invalidity Contentions served, <b>Markman Hearing</b> set for <b>10/12/2023</b> ,

("Ultra Beauty Case")			claim construction briefing underway, <b>expert reports due 11/27/2023, Pre-trial conference scheduled for 03/11/2024.</b>
Lexos Media IP, LLC v. Overstock.com, Inc. 2-22-cv-02324 (DKS)  ("Overstock Case")	<b>08/16/2022</b>		Motion For Judgment on Pleadings denied, Infringement and Invalidity Contentions served, <b>Motion to Stay Denied</b> , claim construction briefing completed, Markman Hearing Set on 09/06/2023 for <b>11/20/23.</b>
Lexos Media IP, LLC v. eBay Inc. 6-22-cv-00648 (WDTX)  ("eBay Case")	<b>06/22/2022</b>	<b>10/28/2024</b>	Infringement and Invalidity Contentions served, Claim Construction briefing to be completed on <b>9/27/2023</b> with optional tutorials due on <b>October 16, 2023.</b>
Lexos Media IP, LLC v. MSC Industrial Direct	<b>08/10/2022</b>		<b>Infringement and Validity</b>

Co., Inc. 3-22-cv-01736 (NDTX)  ("MSC Case")			<b>Contentions served.</b>  <b>Case Stayed On 9/6/2023</b> pending decision in IPR proceedings.
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**C. All *Fintiv* Factors Favor *Discretionarily* Declining Institution**

The PTAB should apply its discretion pursuant to 35 U.S.C. § 314(a) and decline to institute trial based upon the late stages of many cases involving the '102 and '449 patents. The Petitioner and Patent Owner are involved in a parallel litigation (*see* Table A *supra*, the "Amazon Case") set for trial in the Eastern District of Texas on January 22, 2024 before Judge Rodney Gilstrap, just over a month after the December 14, 2023 due date of an institution decision on the Petition and nearly eleven months prior to the anticipated December 14, 2024 due date of a Final Written Decision on the Petition if institution is granted.

Amazon knew on June 5, 2023, when it filed the Petitions, that trial had already been set for January 22, 2024, just a little over six months later, and that there would be no chance of resolution of the Petitions' grounds for invalidity prior thereto. It filed the Petitions anyway, only to notify the court two months later of its desire to proceed upon the same grounds as presented here.

Moreover, the “Target Case” and “Office Depot Case” have both been consolidated for all pre-trial purposes with the Amazon Case and are also in their advanced stages. The Court and the parties have invested considerable resources in the litigation, with the *Markman* Order governing these three cases being issued on September 5, 2023, opening expert reports due on September 26, 2023 and a pre-trial conference set for December 18, 2023.

The parties have taken about a dozen individual and 30(b)(6) depositions, with more currently scheduled. Expert witness depositions are set to be completed by October 25, 2023, dispositive motions are due to be filed by October 30, 2023, responses thereto are due to be filed by November 13, 2023, Motions *in Limine* are due to be filed by December 1, 2023, and the Joint Pretrial Order is due to be filed by December 11, 2023. Indeed, all of the major pre-trial work for the Amazon, Office Depot and Target Cases will have been completed prior to even the due date for an institution decision. Amazon not only unreasonably delayed in bringing its Petition one day before the deadline, its delay was strategic. Amazon knew that the patent owner’s preliminary response would be due right at the zenith of fact discovery and expert report preparation in its case plus two other consolidated cases proceeding under the same schedule. These are some of the busiest parts of the pre-trial schedule. Nor did Amazon or the consolidated Defendants move to stay the

Amazon Case or the consolidated cases. Such tactical use of the *inter partes* review process should not be rewarded. The *Fintiv* factors allow the Board to consider “whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6. Efficiency and integrity of the system are clearly not served by instituting review in this proceeding.

Additionally, the “Nike Case” is scheduled for trial in the same district on April 15, 2024. The “Gap Case,” “Walmart Case,” “Northern Tool Case,” “CDW Case,” and “Ulta Beauty Case” have each been consolidated with the “Nike Case” and are also in their advanced stages. The *Markman* Hearing for this second set of consolidated cases is set for October 12, 2023, experts reports are due November 27, 2023, and each of these second set of consolidated cases are scheduled for pre-trial conference on March 11, 2024.

In addition to the two sets of consolidated Eastern District of Texas cases, the “Overstock Case” is set for trial in the District of Kansas on October 28, 2024, also before the December 14, 2024 due date of any Final Written Decision in the present *inter partes* review proceedings. The District of Kansas has likewise expended resources on that advanced stage case, having denied both a motion for judgment on the pleadings and, more recently, a motion to stay the case in light of the present *inter partes* review proceedings. Claim construction briefing is completed and the

*Markman* hearing for the Overstock Case is set for November 20, 2023. The “eBay Case” is also in advanced stages, with infringement and invalidity contentions having been exchanged and claim construction briefing set for completion by September 27, 2023.

Amazon filed their petitions knowing there was less than seven months before trial. Moreover, Amazon had already asserted Malamud and Nakagawa (grounds 1 and 2) months prior in their invalidity contentions. Moreover, Amazon recently sought leave to add Nielsen (ground 3) to their invalidity contentions, to which Patent Owner consented. All the *Fintiv* factors favor a discretionary denial under the circumstances.

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

Neither Petitioner nor the Defendants whose cases have been consolidated with the Amazon Case have requested a stay of the Amazon Case or its consolidated cases.<sup>4</sup> With trial set to commence on January 22, 2024 (see EX2003 ¶ 5), it seems highly unlikely that the district court, at this late stage of the proceeding, would enter a stay of the litigation pending the year-long duration of an instituted *inter partes* review. The absence of a stay in the Amazon case, indeed the fact that Amazon didn't

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<sup>4</sup> Nor have consolidated Defendants Office Depot or Target.

even request a stay, weighs in favor of discretionary denial of institution in this case.

*See Fintiv*, Paper 11 at 6.

Nike has not requested a stay, nor have The Gap, Walmart, Northern Tool, CDW, Ulta Beauty or eBay. Overstock sought a stay of the case based upon Amazon's filing of the petitions in the present *inter partes* proceedings. On August 31, 2023, the U.S. District Court for the District of Kansas denied that motion and, on September 6, 2023, set a *Markman* hearing for November 20, 2023. EX2009. The court arrived at its result based in part upon the advanced stage of that litigation:

This case has progressed substantially, and this court has invested significant resources in becoming familiar with the Asserted Patents and Overstock's alleged infringing technology. In ruling on Overstock's motion for judgment on the pleadings, the court analyzed some of the asserted claims of the '102 and '449 Patents, as well as Overstock's alleged infringing use of the claimed method(s) when providing web pages to individuals for use with the Overstock website and Overstock's alleged making and using of the claimed system when making the Overstock website available to others for use.

*Id.* at 3 (internal citations omitted.)<sup>5</sup>

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<sup>5</sup> On September 6, 2023, the U.S. District Court for the Northern District of Texas granted MSC's motion to stay in light of the present Petition and the '449 Petition. *See* EX2010. However, and as opposed to advanced stages of the Amazon and Nike consolidated cases, the District Court for the Northern District of Texas acknowledged, that the MSC Case was "in its early stage" given "some of the most significant and time-consuming tasks in patent infringement litigation have not even started: the parties have not prepared claim construction briefs, the Court has not conducted a claim construction hearing, and expert discovery has not begun." *Id.* at 11.

*Fintiv* factor 1 weighs in favor of exercising discretion to deny institution given the advanced stages of the parallel litigation between the Petitioner and Patent Owner, and other related litigations involving the same patents and prior art.

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

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.” *Fintiv*, Paper 11 at 9. According to the current record, the district court trial in the Amazon Case is set to begin on January 22, 2024. Ex. 2003. If review is granted, the Board likely will not issue a final decision in this proceeding until approximately December 14, 2024 — almost 11 months after the trial of the Amazon Case. Additionally, the Nike Case is set for trial on April 15, 2024 and the Overstock Case is set for trial October 28, 2024. Thus, at least three cases have currently scheduled trial dates respectively approximately eleven months, eight months and six weeks before the expected deadline for issuing a Final Written Decision if trial were instituted.



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

“The Board also has considered the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, Paper 11 at 9. “[M]ore work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.* at 10. Specifically, if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial. *Id.* at 9–10 (citing *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00162, Paper 16 at 8, 13, 20 (PTAB June 5, 2019)). Similarly, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial. *Id.* at 10 (citing *Next Caller, Inc. v. TRUSTID, Inc.*, IPR2019-00963, Paper 8 at 13 (PTAB Oct. 28, 2019)).

In the Amazon Case (and the Office Depot and Target Cases consolidated therewith), significant investments have already been made and will continue to be made prior to the December 14, 2023 due date for the institution decision. All the litigation costs in connection with claim construction have already been expended, with the Eastern District of Texas having issued its Claim Construction in these

consolidated cases on September 5, 2023.<sup>6</sup> The parties are already preparing their opening Expert Reports, due on September 26, 2023 on the same day as the close of fact discovery. Expenditures have been made in connection with taking more than a dozen individual and 30(b)(6) depositions, with more being taken prior to the close of fact discovery on September 26, 2023. The costs related to expert witness and their depositions will also be incurred by October 25, 2023, dispositive motions filed by October 30, 2023, responses thereto filed by November 13, 2023, Motions *in Limine* filed by December 1, 2023 and the Joint Pretrial Order filed by December 11, 2023. Indeed, all of the major pretrial work will have been completed prior to the scheduled due date of an institution decision. Given the substantial investments made in the Amazon case by the parties and the Court, “instituting would lead to duplicative costs.” *Fintiv*, Paper 11 at 10.

In the Nike Case (and its consolidated cases) significant investments have already and will have been made. All claim construction briefing, the *Markman* Hearing, all fact discovery, and opening expert report exchanges will be completed

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<sup>6</sup> “[I]f, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial. Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Fintiv*, Paper 11 at 9–10.

by November 27, 2023, weeks prior to the December 14, 2023 due date for an institution decision.

Had Petitioner been diligent in filing the Petition, that diligence could potentially have mitigated some of the investments in parallel proceedings that are at issue. *Fintiv*, Paper 11 at 11 (“If the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under NHK.”) But here, the Complaint in the Amazon Case was filed on May 24, 2022 (EX2011) and served on June 6, 2022. The one-year deadline to file an IPR in the Amazon Case was June 6, 2023. Petitioner filed this Petition **one day** prior to that deadline on June 5, 2023 **knowing trial was set for six months from its filing date and there was no chance of a resolution of any of its grounds prior to trial.**

Substantial expense in all of these cases could potentially have been avoided by a prompt filing. “[N]otwithstanding that a defendant has one year to file a petition, it may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.” Here, significant costs have been incurred due to Amazon’s belated filing relative to the trial date. Accordingly, *Fintiv* factor 3 weighs strongly in favor of exercising discretion to deny the Petition.

**4. *Fintiv Factors 4 & 5: The Overlap Between the Issues Raised in the Petition and the Parallel Proceedings between the Petitioner and Patent Owner***

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12. A complete overlap exists between the grounds asserted in the petition and Amazon’s (and its consolidated defendants’) invalidity contentions. The Invalidity Contentions undisputedly already assert Malamud (Ground 1) and the combination of Malamud with Nakagawa (Ground 2) against the challenged claims of the ’102 and ’449 patents. *See* EX2012, 2 (identifying that the challenged claims are at issue in the parallel litigation), 8-9 (identifying Malamud as an asserted reference), 15-23 (identifying motivations to combine), 23-27 (asserting Malamud against claim 72 of the ’102 Patent and claim 53 of the ’449 Patent), 27-31 (same for claims 1, 27, 38 of the ’449 Patent), 24-25 and 28-29 (asserting ten different references for disclosing a “server” limitation that Nakagawa is used for in Ground 2 of the Petition.). *See also* EX2019 and EX2020 (claim charts asserting Malamud against challenged claims alone or in combination with “server” references).

Amazon’s invalidity contentions did not, however, assert the Nielsen reference that is the subject of Ground 3. But on August 14, 2023, two months to the

day after notice was issued that their Petitions in the *inter partes* proceedings were accorded a filing date, Amazon moved the Eastern District of Texas for leave to amend its invalidity contentions to include the Nielsen reference that is the subject of Ground 3 (EX2013). Indeed, as grounds for adding Nielsen to its invalidity contentions, Amazon stated to court:

Lexos has also been aware of Nielsen since at least June 5, 2023 when Amazon filed IPR petitions against the '102 and '449 patents. Nielson was one of three prior art references asserted in those petitions, and Amazon specifically explained how the combination of Nielsen and Malamud (U.S. Patent No. 6,437,800) rendered the asserted claims obvious. Because Lexos has been aware of Nielsen and how it invalidates the asserted claims, Lexos will not suffer any prejudice if Defendants are permitted to include it in their invalidity contentions.

EX2013 at 7.

Patent Owner responded to the motion on September 6, 2023, stipulating to the amendment to add the Nielsen reference. (EX2014). There is indisputably a complete identity between the asserted claims in the Amazon Case (and in its consolidated cases) and the claims challenged in the present proceedings. Given that Amazon is able to assert exactly Grounds 1-3 in the January 22, 2024 trial in the Amazon Case, there is complete overlap between the issues raised in the Petition and the Amazon Case.

Amazon's offer of a *Sotera* Stipulation (Petition, pg. 63) does not alter the equation. First, obviously the same issues can be tried by the consolidated

defendants, who have not offered the same stipulation. Second, even if the consolidated defendants were to now belatedly offer their own *Sotera* stipulations, this would not address the time and resources incurred in the Amazon Case and its consolidated cases to date, much less what continues to be spent in meeting all deadlines leading to the trial of the at least the Amazon Case just weeks after the due date for an institution decision. A *Sotera* stipulation is not a magic bullet under the circumstances here. For example, in *Cisco Sys., Inc. v. Estech Sys., Inc.*, IPR2021-00329, Paper 13 (PTAB July 6, 2021) a *Sotera* stipulation was not sufficient to overcome a trial date scheduled for 11 months before the due date of a Final Written Decision and the completion of fact and expert discovery in a parallel litigation. Here, even if the consolidated Defendants had offered their own *Sotera* stipulations, there is significantly more wastefulness here than that which warranted discretionary denial in *Cisco Systems*. Amazon, Office Depot and Target are fully to address any issues asserted in this proceeding (and more) in their consolidated litigation, which will be complete long prior to a final written decision, should an IPR be instituted.

And as to Factor 5, the Petitioner and the Patent Owner are the parties in the Amazon Case. Clearly then, both of these factors favor the exercise of discretion to deny institution.

**5. *Fintiv Factor 6: other circumstances that impact the Board's exercise of discretion, including the merits***

IPRs were intended to give litigants an efficient alternative to litigating validity issues in District Court, not as a tactical tool to consume litigant and PTAB resources. Amazon could not have been honoring that purpose with the timing of its petitions given the parties had no chance to avoid the costs of trial. When Amazon filed these petitions on June 5, 2023, it knew that trial had already been set for January 22, 2024, just a little over six months later and there would be no chance of resolution of its grounds for invalidity prior thereto. It filed the petitions anyway, only to notify the Court two months later of its desire to proceed upon the same grounds as presented here. Such weaponized use of the *inter partes* review process should not be rewarded. The *Fintiv* factors allow the Board to consider “whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6. Efficiency and integrity of the system are clearly not served by instituting review in this case.

Amazon’s argument that the sixth factor “strongly weighs in favor or institution” in that “the compelling merits of the grounds are very strong” (Petition, pg. 50) lacks credulity as the Petition is merely a rehashing and recycling art and arguments from the prior Ralph Lauren IPR in which the patentability of the challenged claim was confirmed. Rather than providing “compelling merits.” as

detailed further herein, the petition presents a duplicative and substantially flawed analysis of the prior art. The Malamud reference was the primary reference addressed by the prior Ralph Lauren IPR proceedings involving the '102 and '449 Patents, and all of the challenged claims were not found invalid over that reference. *See* EX2015 and EX2016. Because the same flaws exist in the new combinations asserted in the present *inter partes* review proceedings as did before, the petition is cumulative. It is also substantively weak, misstating at times the teachings of the prior art and making up motivations without proper support, as also detailed herein.

In light of the above, *Fintiv* factor 6 also weighs strongly for a discretionary denial under the circumstances here.

### **III. THE BOARD SHOULD DISCRETIONARILY DECLINE INSTITUTION UNDER 35 U.S.C. § 325(d)**

#### **A. Introduction**

Petitioner presents the same, or substantially the same, art and arguments made to the Board in IPR2018-01755 (“the ’755 IPR.”) Ground 1 of the ’755 IPR relied on a combination of Malamud and another reference not currently presented, Anthias. Claims 1 and 53 of the ’449 patent were found to be patentable over this combination. (EX2016, 45.) Moreover, currently presented Nakagawa and Nielsen do not contribute substantially new information beyond the Malamud combination in the ’755 IPR over which claims 1 and 53 were found patentable and the Malamud



combination including a different Nielsen reference (“Nielsen II”) than presently presented, over which claim 38 was found patentable in the ’755 IPR.

**B. Standard for Denying Institution Under 35 U.S.C. § 325(d)**

Pursuant to 35 U.S.C. § 325(d), “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). In evaluating section 325(d), the Board considers two factors: “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, Case No. IPR2019-01469, Paper No. 6, 2020 WL 740292, at \*3 (P.T.A.B. Feb. 13, 2020). “If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* “At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.*

In doing so, the Board considers “non-exclusive factors, such as: (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, Case No. IPR2017-01586, Paper No. 8, 2017 WL 6405100, at \*6 (P.T.A.B. Dec. 15, 2017).

**C. Substantially the Same Arguments Against the Challenged claims Based on Malamud Were Previously Presented to the PTAB**

In evaluating whether the same or substantially the same art and arguments were previously presented to the Office, the Board evaluates *Becton, Dickinson* factors (a), (b), and (d). *See Advanced Bionics*, 2020 WL 740292, at \*4. These *Becton, Dickinson* factors “provide guidance as to whether the art presented in the petition is the ‘same or substantially the same’ as the prior art previously presented

to the Office during any proceeding, including prior AIA proceedings.” *Id.* at 4 (original emphasis).

Malamud was presented to the Office in the ’755 IPR. In both the current Petition and the ’755 IPR, the respective Petitioner argued that Malamud teaches a system or method for modifying a cursor image because it discloses an “information cursor” that can replace a “conventional cursor.” (*See, e.g.*, Pet. at 26-27, 37-39; EX2018 at 30; 34-35.) In both the current Petition and the ’755 IPR, the respective Petitioner argued that Malamud teaches invoking an information cursor when the cursor has been moved over a particular object. (*See, e.g.*, Pet. at 37 (“Malamud further teaches determining whether the cursor has been moved over an object displayed in the application’s display window, where the object has an identity (*i.e.*, an associated information cursor).”); EX2018 at 34 (“Malamud teaches that information cursors are invoked when an application’s window procedure sends a message (‘specified content information’) to invoke a preview cursor and the OS employs a function or application (‘cursor display code’) to check whether the information cursor is ‘on’ and, if so, to instructing the OS to invoke functions or applications to display a certain type of cursor that includes text or graphical previews when pointed to a displayed object.”).)

**D. Nakagawa and Nielsen are Cumulative of Previous Art Combined with Malamud**

The combination of Malamud with Nakagawa or Nielsen is cumulative over the prior attempt to invalidate claims 1, 38, and 53 because they are being used for their teaching of a client/server architecture, just as Anthias was used. The currently presented Nielsen is deficient because it fails to teach transmitting a cursor display message to modify a cursor, just as Nielsen II does not teach this limitation as set forth below. Nielsen II is thus cumulative over Nielsen because Nielsen is also being used for the teaching of using HTML to provide instructions to modify information presented to a user, just as Nielsen II was, and this does not remedy the identified deficiencies of Malamud as set forth below. *See* Declaration of Dr. Shamos at ¶ 68 (EX2001, “Shamos Decl.”) at ¶¶ 107-11.

**IV. THE BOARD SHOULD DECLINE INSTITUTION ON THE MERITS**

**A. Standard For Granting *Inter Partes* Review**

The Board may only grant institution on a petition for *Inter Partes* Review where “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.” 35 U.S.C. § 314(a); 37 C.F.R. § 42.108(c). The Petitioners bear the burden of showing that this statutory threshold is met. *See* Trial Practice Guide, 77 Fed. Reg. 48,756 (Aug. 14, 2012).

**B. Level Of Ordinary Skill in the Pertinent Art**

To determine whether an invention would have been obvious at the time it was made, the level of ordinary skill in the pertinent art at the time of the invention is to be considered. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). 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) (citing *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986)). “[O]ne or more factors may predominate.” *Id.*

Petitioner asserts that a person having ordinary skill in the art (“POSITA”) at the time of the invention “would have at least a bachelor’s degree in computer science, computer engineering, human factors engineering, or a related field and would have had at least two years of relevant work experience in the fields of UI design, or equivalent experience.” (Pet. at 7.) For purposes of this proceeding only, Patent Owner does not dispute the proffered definition for a POSITA.

**C. Claim Construction Standard**

Under *Phillips*, the words of a claim are generally given their “ordinary and customary meaning,” which is the meaning they would have to a person of ordinary

skill in the art at the time of the invention, in light of the specification and prosecution history. *See Phillips*, 415 F.3d at 1312–13. Only terms that are in controversy need to be construed, and then only to the extent necessary to resolve the controversy. *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (applying *Vivid Techs.* in the context of an *inter partes* review).

Patent Owner has applied the constructions from litigation of claim 72 as set forth below.

**D. Proposed Constructions**

**1. “*cursor display code*”**

This term should be construed as “computer code for modifying the display of the cursor image” in accordance with the prior construction of the same set forth in construction issued in *Lexos Media IP, LLC v. Amazon.com, Inc.*, 2:22-CV-00169-JRG (Dkt. 130) (E.D. Texas) (the “Litigation”). EX2008 at 22.

**2. “*cursor display instruction*”**

This term should be construed as “an instruction operable to modify the display of a cursor image” in accordance with the prior construction of the same set forth in construction issued in the Litigation. EX2008 at 22.

**3. “*cursor image*,” “*initial cursor image*,” “*modified cursor image*”**

These terms should be construed as “a movable image on a display screen whose position can be controlled through a user interface” in accordance with the prior construction of the same set forth in construction issued in the Litigation. EX2008 at 22.

**4. “*said specific image includes content corresponding to at least a portion of said information that is to be displayed on said display of said user’s terminal*”**

This term should be construed as “an image representative of at least a portion of the subject or topic being displayed on the screen” in accordance with the prior construction of the same set forth in construction issued in *Lexos Media IP, LLC v. APMEX, Inc.*, 2:16-CV-00747-JRG, Dkt. 86 (E.D. Tex. Mar. 16, 2017). EX1007.

**E. Overview of the ’449 Patent**

At the time of the invention, more and more companies were advertising on the Internet. EX1001<sup>7</sup> Patent at 1:21-23. Three typical forms of advertising at the time of the invention were “banner ads,” EX1001 at 1:24-25, “frames,” EX1001 at 1:55-56, and “self-appearing windows.” EX1001 at 2:4-5. Each form of advertising had its drawbacks and limitations, as explained in the specification. *See* EX1001 at

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<sup>7</sup> As Petitioner did, Patent Owner also cites to the specification of U.S. Patent 5,995,102 (EX1001), with which the ’449 Patent shares a common specification.

1:24 to 2:32. Consequently, the inventors recognized “a need for a simple means to deliver advertising elements . . . without the annoyance of totally interrupting and intrusive content delivery, and without the passiveness of ordinary banner and frame advertisements which can be easily ignored.” EX1001 at 2:27-32. Thus, it was a specific objective of the inventions “to provide a server system for modifying a cursor image to a specific image displayed on a video monitor of a remote user’s terminal for the purposes of providing on-screen advertising.” EX1001 at 2:44-47.

The inventions claimed in the Asserted Patents provide for server systems that enable a cursor or pointer displayed on a remote client’s computer to change appearance to a specific image that is related to the content being transmitted to and displayed on that computer. EX1001 at 4:4-12. The modified cursor image can be used by the provider of displayed web content to advertise or promote the displayed content. EX1001 at 3:51 to 4:3. As the specification explains, “[t]he present invention provides a means for enabling cursors and pointers to change color, shape, appearance, make sounds, display animation, etc., when the user’s terminal or computer, known as the ‘client’ or ‘user’ terminal, which has a network connection, receives certain instructions from a remote or ‘server’ computer attached to the network.” EX1001 at 3:51-57. The specification describes “an exemplary embodiment of the present invention” whereby:

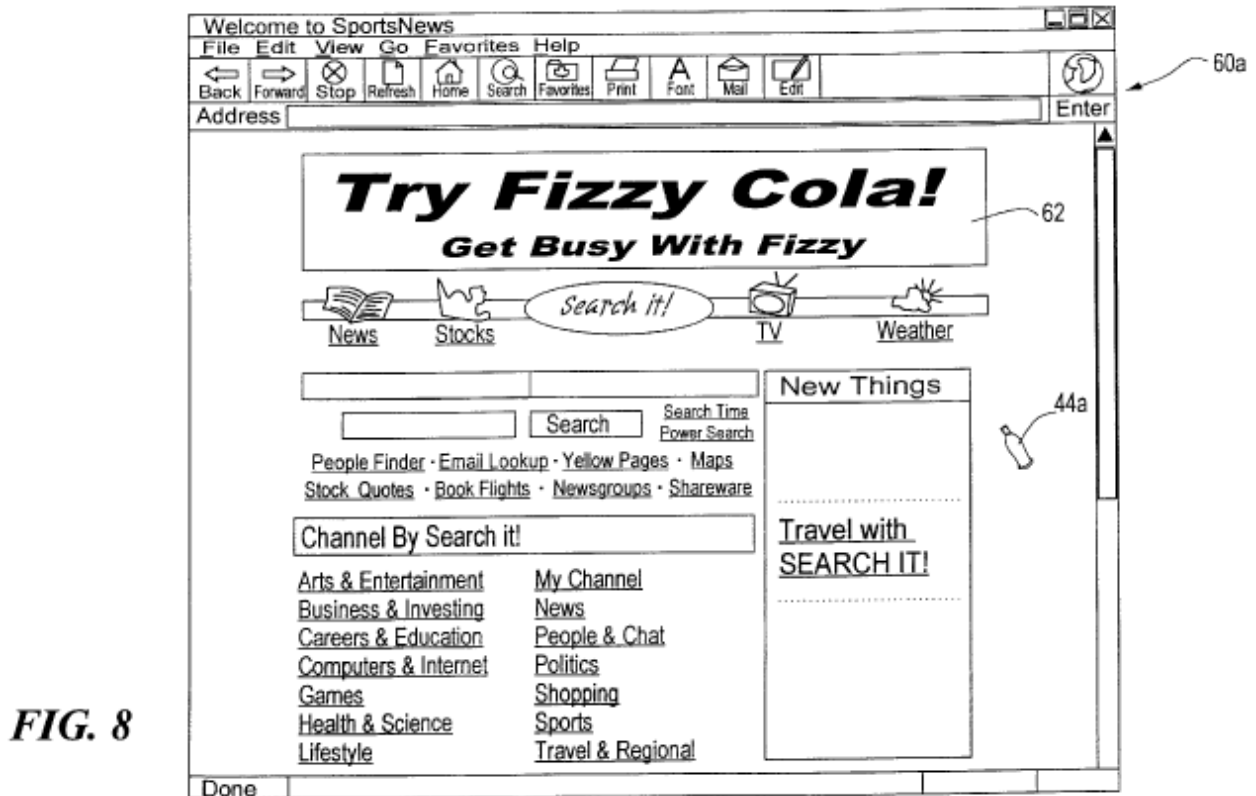


[T]he generic cursor or pointer icons used in many networking applications, such as black arrows, hands with a pointing finger, spinning wheels, hourglasses, wristwatches, and others, will change appearance, and in some cases may incorporate sound or animation, in a way that is linked and related to the content, such as a web page, which is being transmitted to and displayed on the client computer.

EX1001 at 3:57-64. “The cursor or pointer image may also appear in a specified shape or color that is intended to convey a message that relates to the advertising content within the web page being transmitted and displayed.” EX1001 at 3:67-4:3. *See also* EX1001 at 7:2-5 (“the server system provides certain information that causes the cursor image on the video monitor of the user terminal to display an image as specified by the server system.”).

The context of the invention relates to a graphical user interface in which a pointing device is used by the user to navigate a video display, and in which movement of the pointing device is indicated by a corresponding movement of a cursor on the video display. *Id.* at 8:24–37. The ’102 Patent relates to changing that generic cursor by sending data and control signals from a remote computer to replace such a cursor with a cursor having an appearance that is associated with other content being displayed to the user, e.g., a logo, mascot, or an image of a product or service, related to the other content being displayed to the user. *Id.* at 3:4–9, 17:5–18:3.

Figure 8 of the ’449 Patent, reproduced below, shows a web page according to an embodiment of the invention.



In Figure 8, shown above, web page 60a is displayed to a user, including banner ad 62 for cola. *Id.* at 13:31–37. The cursor to be used with this web page changes from a standard cursor (e.g., an arrow) to cola-bottle-shaped cursor 44a in association with the banner ad 62. *Id.*

The '449 Patent describes interactions between a server system and a user's terminal to effect the cursor change. *Id.* at 4:4–9, 5:37–49, 5:48–65, 7:16–40. The user terminal is controlled by an operating system (“OS”), and application programs such as a browser running on the user terminal use an application programming interface (“API”) to interface with the OS. *Id.* at 7:29–40, Fig. 2.

The server system transmits specified content information to the user terminal, including information to be displayed on the user's computer (such as a hypertext markup language ("HTML") web page), cursor display instruction, and cursor display code. *Id.* at 8:4–23. The cursor display instruction indicates where the cursor image data corresponding to the new appearance of the cursor resides. *Id.* at 8:49–64. The cursor display code causes the user's terminal to display that cursor image data in place of the original cursor, using the API of the operating system to effect these changes. *Id.* at 8:34–37, 8:52–57; 13:19–30.

As extensively described in the '449 Patent's specification, *e.g.* 7:41-14:64, when a browser requests a webpage from a server, it receives back an HTML file that includes content to displayed and/or pointers thereto, formatting instructions how to display the content, and instructions and/or code regarding how the webpage is to interact with the user, including how the cursor modification takes place and specific images are displayed. The browser then uses the received information to generate the webpage displayed to the user, including the shape and appearance of the modified cursor image.

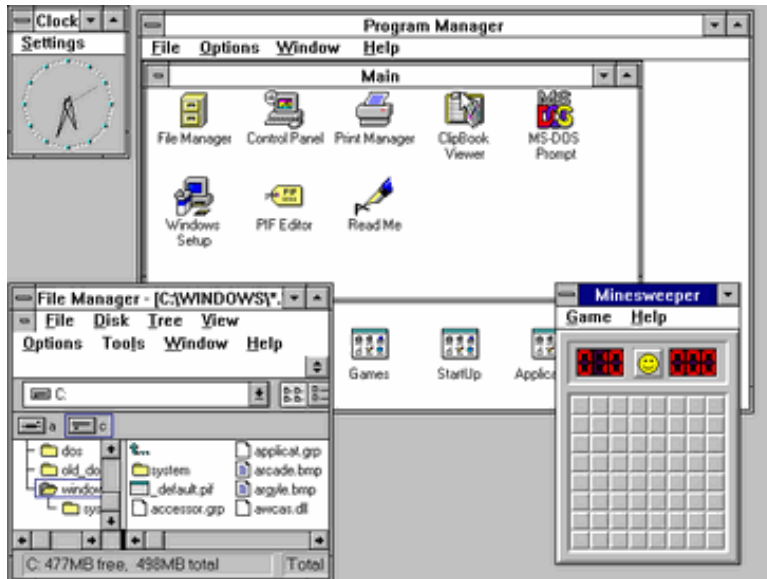
As the specification also describes, the content of the specific image may be dynamically updated and may also change based upon cursor movement, via changes in position or in speed. *Id.* at 14:49-53 ("...it is possible to vary the

modification to the cursor as a function of cursor position. For example, the cursor pointer could be controlled such that it ‘points’ to a specific location on the screen regardless of the cursor’s location on the screen as illustrated in line 214 of FIG 4.”); 14:54-64 (“In accordance with another embodiment of the invention it is possible to vary the modification to the cursor as function of cursor velocity. For example, the cursor image could change from a stationary bird to a bird with flapping wings only when the cursor is moved quickly across the screen as illustrated in line 215 of FIG. 4.”); 17:17-21 (“A dynamic cursor image could then be used to show a person holding a straw in such a way that the straw always points from the user toward the top of the Fizzy bottle, no matter where the cursor moves on the screen.”); 17:55-61 (“It may also be desirable in certain cases to put alphanumeric data in the cursor ‘space’ to convey information to users, such as stock prices, baseball game scores, the temperature in Florida, etc. The data can be static, semi-static (*i.e.*, updated periodically), or dynamic (updated frequently -- possibly incorporating available streaming-data and data compression technologies.”)

#### **F. Overview of Malamud (EX1004)**

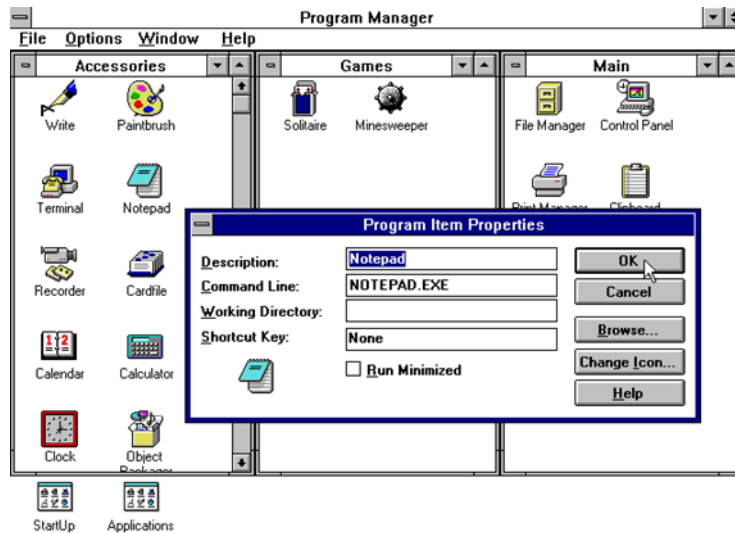
Malamud is directed to a Microsoft Windows application that works with the Windows 3.1 operating system. *See* Shamos Decl. at ¶ 36. Windows 3.1 provided

a then-familiar form of user interface having a “desktop” on which icons representing “named entities” can be displayed:



[https://upload.wikimedia.org/wikipedia/en/7/73/Windows\\_3.11\\_workspace.png](https://upload.wikimedia.org/wikipedia/en/7/73/Windows_3.11_workspace.png)

As shown in the above screen shot, some of the named entities are “file manager,” “control panel,” “print manager,” *etc.* As shown in the screenshot below, the operating system allowed the user to assign an icon to a named entity by selecting the “Change Icon” button. *See Shamos Decl. at ¶ 37.*



<http://toastytech.com/guis/win31.html>

As Malamud explains, the application is to be used with an operating system, such as “an embellished version of the Microsoft WINDOWS, version 3.1, operation system that supports the use of information cursors.” EX1004 at 4:35-38. This embellished operating system is designed to display various types of information cursors such as the name cursor 26 of FIGS. 2a, 2b, 2c, the preview cursor 34 of FIG. 3, or and the combined name and preview cursor 38 of FIG. 4, or a property cursor 40 of FIG. 5. The supported information cursor types each contain a pointing portion 28 and a second portion which is a box containing information about a named entity such as its name in box 30, an image in preview box 36 or text in a property box 42. *See* Shamos Decl. at ¶ 38.

While Malamud does not explicitly describe that the embellished operating system is the source of the cursor display code that creates these boxes, a POSITA would understand “supports the use of information cursors” to mean that this code is provided in the embellished operating system, particularly in light of fact that Malamud doesn’t describe the source of the cursor display code for such boxes anywhere else, and nowhere states the Malamud application to be the source of any such alleged cursor display code. *See* Shamos Decl. at ¶ 39. Rather, as Malamud describes: “Information cursors are made available by an operating system to applications that are run on the operating system.” EX1004 at 3:6-9.

This understanding is further reinforced by Malamud’s description that the messages from the application to the operating system contain only the type of information cursor to be displayed, whether its boxes should always be displayed or only displayed when the cursor is positioned over the associated named entity, and the content to be displayed in the box(es) of the selected information cursor type:

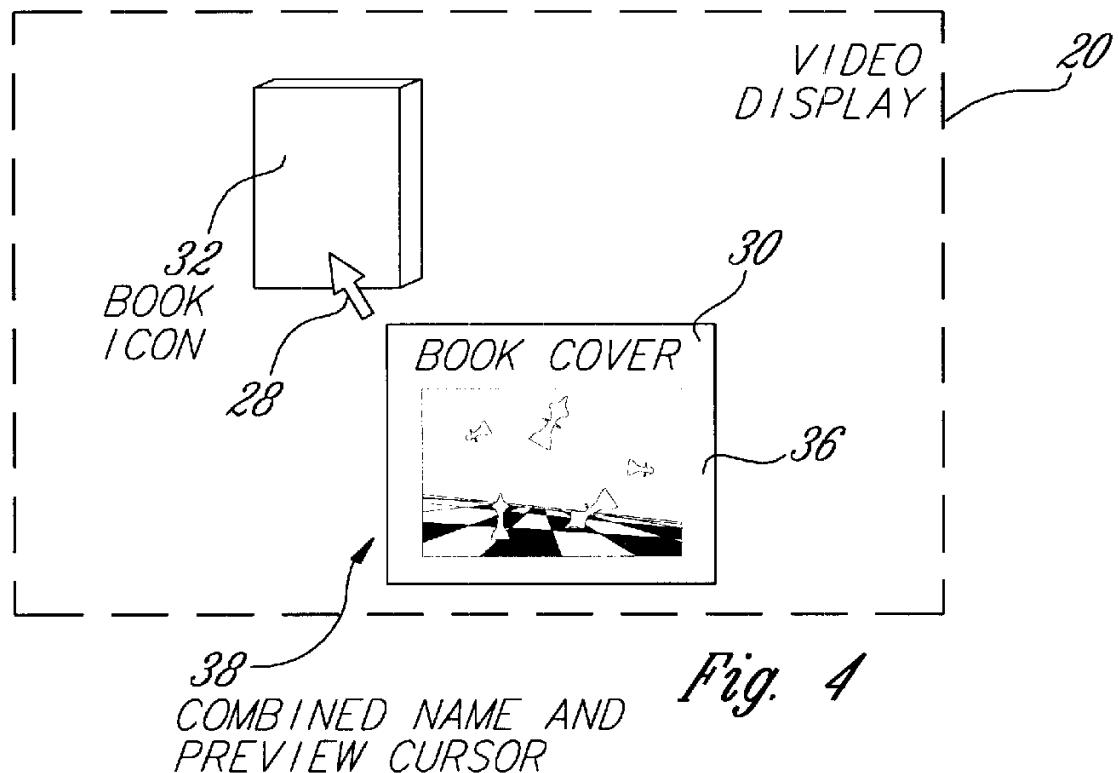
FIG. 7 is a flowchart showing in more detail the steps that must be performed in order to realize step 56 of FIG. 6. After the window procedure has determined what is at the specified cursor position, the procedure passes a message to the operating system 22 (FIG. 1) that tells the operating system what type of cursor to display and sets forth the contents and type of information to be displayed in the cursor (step 58 in FIG. 7). Suppose that the application program desires to display a name cursor 26 (FIG. 2a). A message requesting that a name cursor be displayed is passed to the operating

system 22 along with a text string for the name to be displayed in the name box 30. However, if the cursor to be displayed is a preview cursor 34 (FIG. 3), a message specifying that a preview cursor is required is sent. The message includes a pointer to a bitmap of graphical information that the operating System 22 should use in the preview portion 36. Still further, a property cursor 46 may be requested in the message. The message, in Such a case, includes a text string for the text of property information to be displayed in the property box 42.

EX1004 at 4:45-65. *See* Shamos Decl. at ¶ 40.

Malamud does not explicitly describe how this information is input into the Malamud application for it to pass to the operating system, but a POSITA would understand that the information regarding the type of cursor to display and box content must be specified by a user in some manner, most likely through a direct user input to the Malamud application to allow the user to determine what type of entity to display and what content to display for the named entities on their computer system. A POSITA would not, however, understand that the Malamud application comes pre-loaded with the information cursor content, because it could not know what files are on the user's computer prior to installation. This understanding is reinforced by Malamud's description of an exemplary named entity: a text file for a book about chess represented by a book icon 32 in which a preview cursor shows a graphic involving chess pieces. *See* EX1004, FIG.4 and 3:35-38 and 3:59-4:3. *See* Shamos Decl. at ¶ 41.





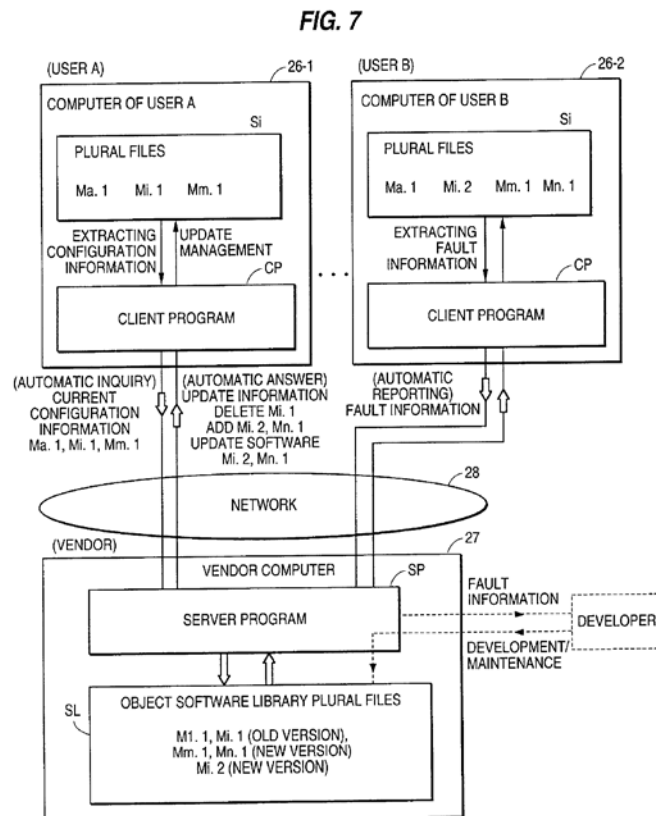
A POSITA would understand from this description that the Malamud application does not come pre-shipped with knowledge that the computer it will be installed upon has stored on it a chess book but rather that the content of the information to be displayed is entered into the application by a user after its installation. *See Shamos Decl. at ¶ 42.*

Finally, nowhere does Malamud describe the source of the book icon or that the application sends the icon to the operating system. Rather, Malamud reinforces what a POSITA would understand, that the icon for the named entity is provided not

by Malamud's application but from the operating system itself, which allows a user to specify icons for a given named entity. *See* Shamos Decl. at ¶ 43.

### G. Overview of Nakagawa (EX1005)

Malamud does not describe the use of application over a network, as required by the Challenged Claims. To bring in a network, Petitioner relied on Nakagawa. Nakagawa is directed to a server system for distributing over a network software and updates thereto so that the software or its updated component(s) may be transmitted and automatically installed at the user's computer. *See* Shamos Decl. at ¶ 44.



As Nakagawa describes with regard to a preferred embodiment:

The vendor computer 27 stores the server program SP which manages a library of the object software and the versions of all modules based on the development and update of the software developer. When module configuration information of the user computer is transmitted from the client program CP, the server program SP receives the information and determines which module is required, unnecessary, or an old version in the software configuration of the client. Then, the server program SP specifies the names of the modules to be deleted and installed to generate update information as an answer to the client program CP. The update information and the modules to be installed are provided for the client program over the network 28.

Nakagawa at 33:30-43. *See* Shamos Decl. at ¶ 45.

Nakagawa is not directed to cursor modification or user interfaces. Its technology is directed solely to how to distribute software and updates thereto over a network for automatic installation at a remote computer. *See* Shamos Decl. at ¶ 46.

Nakagawa is deficient in that it only discloses distributing entire applications over a network; it is not directed to interactions between a server and a client that take place after such an application is installed. *See* Shamos Decl. at ¶ 47.

#### **H. Overview of Nielsen (EX1006)**

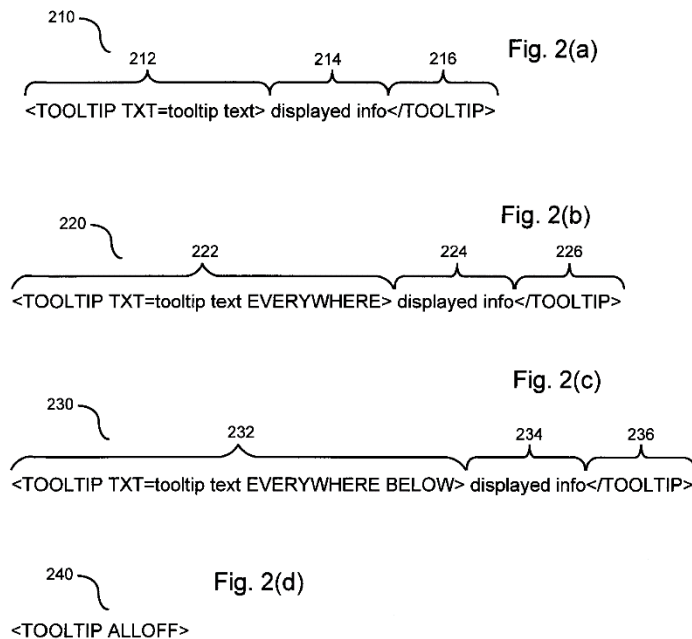
Nielsen is directed to a specific extension of the HTML standard that added a feature called “tooltips” to the standard. A webpage developer can place into an HTML file, adjacent to any webpage content they wish to display, a tooltip tag and

enter content they wish to be displayed in a tooltip box when a cursor is positioned over particular webpage content for a specified period of time. As Nielsen explains:

The present invention allows for the use of tooltips in Web Pages. Thus, any information displayed on display device 160 by browser 130 can have a tooltip associated therewith. When the user places the cursor on a predetermined location on display device 160 for a predetermined period of time, tooltip text is displayed, providing further explanation of the information at the predetermined location. In a preferred embodiment, Web Pages Specified using the present invention can still be displayed using Web browsers that have not been enhanced to recognize tooltips because these browsers will simply ignore the tooltips tag.

Nielsen at 3:34-45. *See* Shamos Decl. at ¶ 48.

Thus, the web developer is able to insert tooltip tags into the webpage's HTML file next to various pieces of webpage text for which they wish a tooltip to be displayed. *See* Shamos Decl. at ¶ 49. Because Nielsen's specification is directed to explaining this new feature of HTML, and its use requires proper use of HTML language, a great deal of Nielsen's specification is directed to the various valid HTML formats for tooltip tags, as show in FIGS. 2(a)-2(d):



As shown, the webpage developer can insert into the webpage's HTML file a pair of tooltip tags around the portion of webpage text for which a tooltip is desired to be displayed, specify the tooltip text, and specify whether this tooltip text should be displayed over every instance of the webpage text. *See* Shamos Decl. at ¶ 50.

In a primary example given, shown in FIG. 4, the tooltip text “London Heathrow” will appear over the webpage text “LHR” when a cursor has been positioned somewhere over “LHR” for a sufficient length of time. Likewise, the tooltip text “United Airlines” will appear above the webpage text “UA” and the tooltip text “San Francisco” will appear over the webpage text “SFO.” *See* Shamos Decl. at ¶ 51.

As Niesen describes, all the webpage developer has to do is enter the following metadata into the HTML file for this to occur:

```
<TOOLTIP TXT-"Universal Airlines'  
EVERYWHERE > UA&/TOOLTIP>  
Feb. 15, 1996 0931 <TOOLTIP  
TXT-"London Heathrow  
EVERYWHERE > LHR </TOOLTIP>  
<TOOLTIP TXT-"San Francisco'  
EVERYWHERE > SFO &/TOOLTIP>  
5368 6710 12078
```

Nielsen at 4:58-67. *See* Shamos Decl. at ¶ 52.

Because browsers that support HTML include code to execute these HTML instructions, the webpage developer does not have to provide code to the browser to make a tooltip appear on the user's display, but only supplies data surrounded by tags. *See* Shamos Decl. at ¶ 53.

**I. The Challenged Claims Are Not Rendered Obvious by Malamud (Ground 1)**

**1. Element 1[c][i]: a first server computer for transmitting specified content information to said remote user terminal**

Petitioner argues that Malamud's application program "comprises 'specified content information' because it includes information for use in the display on a user's computer because it generates the content displayed in the application window, for example the book 5 icon 32 pointed to by the cursor and the preview cursor image." (Pet. at 30.) This is a misreading of Malamud.

Malamud describes a Windows application that works with an operating system, such as Windows 3.1, that has been “enhanced” to support the use of information cursors. *See* Shamos Decl. at ¶ 70. A user installs and configures Malamud’s application to, at a minimum, add the content to be displayed in the box(es) of an information cursor (*i.e.*, a specific image) and to specify which information cursor type is to be displayed when a cursor is positioned over the Windows icon for a given named object/entity (cursor display instructions). There is no disclosure in Malamud of also transmitting the related content to be displayed from a server in response to a request, as required by claim 1. *See* Shamos Decl. ¶ 71.

Furthermore, Malamud makes it clear that “[i]nformation cursors are made available by an operating system to applications that are run on the operating system.” (EX1004 at 3:6-8.) Malamud further describes the invocation of information cursors by sending a message to the operation system telling it what cursor needs to be displayed. (EX1004 at 5:14-65.) The icons in Malamud are provided by an “embellished” operating system. There is no disclosure that they are provided by Malamud’s application. *See* Shamos Decl. ¶ 72.

For example, Malamud describes an embodiment in which a named entity is a text file for a book about chess which is represented by a book icon. A preview

cursor displays a graphic depicting chess pieces when the information cursor is positioned over the book icon. See EX1004, FIG.4 and 3:35-38 and 3:59-4:3. However, because Malamud's application is not described as having (nor would it make sense for it to have) knowledge prior to installation of what files are on a user's computer and their content, a POSITA would understand that the Malamud application does not come pre-loaded with specific images to display in the boxes of the information cursors or which type of information cursors to associate with the icons of such files. Rather, a POSITA would understand that the user who installs Malamud's application would then configure it with such information. *See Shamos Decl. at ¶ 73.* Thus, because Malamud does not disclose that Malamud's application includes both the "information to be displayed" (over which a cursor has to be moved in order to trigger the cursor modification) and the corresponding "specific image" of the modified cursor, Malamud does not disclose that a request to a server for Malamud's application would be a request to provide "specified content information." *See Shamos Decl. at ¶¶ 75-76.*

Therefore, even if the Malamud application was served from a server it would still not meet the limitation of "a request at said at least one server to provide specified content information" because it would not contain each of the various types



of information specified by the claim that the “specified content information” must return to the remote terminal, as discussed in further detail below.

2. **Element 1[c][iii]: wherein said specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information, and wherein said specified content information further comprises information to be displayed on said display of said user’s terminal**

Claim 1 requires that a server respond to a “request from said user terminal for said specified content information” and that the specified content information must include “information that is to be displayed on said display of said user’s terminal.” The request must be for the information that is to be displayed, and cursor image must be modified in response to movement over that same information that is to be displayed. Malamud does not teach this. *See Shamos Decl.* at ¶ 80.

Although not limited to this embodiment, the ’449 patent describes an embodiment in which a request is made by a browser to a web server for a webpage file that includes instructions for specific information that will be processed by the browser and displayed as a webpage. The ’449 patent further describes modifications to a cursor in response to its movement over the displayed webpage. Petitioner’s reliance on a generic request to initiate the downloading of Malamud’s

application does not satisfy the limitations of the claimed method. *See* Shamos Decl. at ¶¶ 75, 79.

Specifically, Petitioner points to the book icon from the chess book example discussed above as being the information that is to be displayed. (Pet. at 30.) Petitioner erroneously asserts that the book icon is “generated by the application program,” incorrectly relying on disclosures in Malamud at 3:36-39 and 3:59-4:18 for this assertion. However, these passages are directed to the contents of the name box 30 and preview portion 36 and do not describe that the book icon 32 is generated by Malamud’s application. *See* Shamos Decl. at ¶ 80. Instead, Malamud explicitly describes that the only information transmitted from the Malamud application to the operating system is the identification of which type of information cursor the operating system should display, whether the boxes of the information cursor should show prior to the cursor being positioned over the icon, and what content should be displayed within its box(es). *Id.* Thus, a download of Malamud’s application would not include “information that is to be displayed on said display of said user’s terminal.”

Furthermore, a download of Malamud’s application would not include a “specific image” that “includes content corresponding to at least a portion of said information that is to be displayed on said display of said user’s terminal.” Petitioner

argues that content such as a graphic of chess pieces is a specific image taught by Malamud. However, a download of Malamud's application could not contain a specific image corresponding to information to be displayed because, as discussed above, the information to be displayed would be unknown at the time of the download.

3. **Element 1[c][iv]: said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal, and wherein said cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal, and wherein said specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal**

Here, the initial cursor image is modified into the shape and appearance of the specific image responsive to its movement over a least a portion of the information to be displayed. The information to be displayed is one of specified content information types that was returned from the server in response to the request from the user terminal. When that information is being displayed on the screen of the user terminal it will trigger the cursor modification when the initial cursor image has been moved over it. Again, Petitioner reads the "information to be displayed" on the icon of the chess book and asserts this limit is met when the Malamud application is

downloaded from a server. But Petitioner, again, does not show that Malamud came pre-loaded with such an icon when it was downloaded from a server. Moreover, Petitioner reads “specific image” onto the information cursor containing text or graphical information, here the exploding chess pieces. But, again, Petitioner does not show the Malamud’s application came pre-loaded with this “specific image.”

**4. Claim 27**

Claim 27 is identical to claim 1 with regard to the elements addressed above. For the reasons set forth above, Malamud does not render claim 27 obvious.

**5. Element 53[a]: receiving a request at said at least one server to provide specified content information to said user terminal**

Petitioner refers back to its discussion of Element 1[c][i], and further asserts that “Malamud’s application program comprises specified content information that includes information to be displayed on the user’s computer, such as the image 32 of the book icon being pointed to by the cursor.” (Pet. at 35.) For the reason discussed above, including with regard to Element 1[c][i], this claimed step is not taught by Malamud.

- 6. Element 53[b]: providing said specified content information to said user terminal in response to said request, said specified content information including at least one cursor display instruction and at least one indication of cursor image data corresponding to a specific image**

As discussed in connection with element 53[c][i] below, the “specified content information” provided by the server has additional limitations that are not taught by Malamud. Thus, Malamud does not teach providing specified content information that meets all the limitation of claim 53.

- 7. Element 53[c][i]: transforming said initial cursor image displayed on said display of said user terminal into the shape and appearance of said specific image in response to said cursor display instruction, wherein said specified content information includes information that is to be displayed on said display of said user’s terminal, wherein said specific image includes content corresponding to at least a portion of said information that is to be displayed on said display of said user’s terminal**

Claim 53 requires that a server receive a request “to provide specified content information to said user terminal” (53[a]) and that the specified content information must include “information that is to be displayed on said display of said user’s terminal ” (53[c][i]). The request must be for the information that is to be displayed, and cursor image must be modified in response to movement over that same information that is to be displayed. Malamud does not teach this.

Although not limited to this embodiment, the '449 patent describes an embodiment in which a request is made by a browser to a web server for a webpage file that includes instructions for specific information that will be processed by the browser and displayed as a webpage. The '449 patent further describes modifications to a cursor in response to its movement over the displayed webpage. Petitioner's reliance on a generic request to initiate the downloading of Malamud's application does not satisfy the limitations of the claimed method. *See Shamos Decl.* at ¶¶ 75, 79.

As discussed in connection with element 1[c][iii], Petitioner's reliance on the chess book icon example from Malamud (Pet. at 38) does not establish that the book icon 32 is generated by Malamud's application. *See Shamos Decl.* at ¶ 80. For the same reasons discussed in connection with element 1[c][iii], a download of Malamud's application would not include "information that is to be displayed on said display of said user's terminal."

Furthermore, for the same reasons discussed in connection with element 1[c][iii], a download of Malamud's application would not include a "specific image" that "includes content corresponding to at least a portion of said information that is to be displayed on said display of said user's terminal" because the information to be displayed would be unknown at the time of the download.

- 8. Element 53[c][ii]: wherein said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal**

For the same reasons discussed in connection with element 1[c][iv], Malamud does not teach that this claim element.

- 9. Element 53[c][iii]: wherein said specific image has a shape and appearance relating to said information to be displayed**

As discussed above, even if Malamud's application were to be downloaded from a server in response to a request, such request could not be for information that relates a specific image to information that is to be displayed, because the relationship between a the information that is to be displayed and a specific image is determined by a user of the Malamud's application after its download. *See* Shamos Decl. at ¶¶ 42-43.

\* \* \*

For all the foregoing reasons, Petitioner's Ground 1 is not likely to succeed and the Petition should be denied.

**J. The Challenged Claims Are Not Rendered Obvious by Malamud and Nakagawa (Ground 2)**

Petitioner concedes that Malamud does not teach that a user's computer is connected to a server. (Pet. at 43; EX1003 at ¶88.) Nakagawa is relied on for its disclosure of a user computer connected to a network. (Pet. at 43.) Petitioner argues that it would be obvious to combine the teaching of Malamud and Nakagawa. (Pet. at 44.)

Nakagawa is combined with Malamud in Ground 2 presumably to fill the gap in Ground 1 in case it is determined that Malamud alone cannot be modified merely based on general knowledge of a POSITA. *See* Shamos Decl. at ¶ 80. The combination of Malamud and Nakagawa fails for all the same deficiencies of Malamud discussed above in connection with Ground 1. Thus, the combination of Malamud and Nakagawa does not disclose a “request ... for specified content information” required by each of the Challenged Claims because, as previously discussed, the Malamud application would not come pre-loaded with any icons or specific image content for display in the box(es) of information cursors. *See* Shamos Decl. at ¶¶ 84-85.

Petitioner incorrectly asserts that “a POSITA would have been motivated to distribute application programs, including Malamud's application program containing the cursor-modification functionality, from a server to users over a



network as disclosed in Nakagawa.” (Pet. at 23.) There is no support in Malamud that Malamud’s application includes the “objects to which the cursor can point” such as icons, as discussed above. *See* Shamos Decl. at ¶ 85. Nor does Malamud come pre-loaded with content for display in the box(es) of an information cursor.

The information cursors are not provided by the Malamud application. The Malamud specification describes that the information cursors are in fact provided by the operating system on which the application runs: “Information cursors are made available by an operating system to applications that are run on the operating system.” EX1004 at 3:6-8. *See* Shamos Decl. at ¶ 86.

Thus, Malamud’s application only provides the content contained within the information cursor, e.g., the content within name box 30 or a pointer to the graphical content of a preview portion 36. As Malamud describes, the application requires an “embellished” operating system to function “that supports the use of information cursors,” such as Microsoft Windows 3.1. *See*, Malamud at 4:33-42. In contrast, the Challenged Claims require cursor display code and instructions to be provided, along with the specific image data, allowing standard browsers supporting HTML to render webpages having both the information to be displayed and the modified cursor with the specific image because all necessary data such a browser would need

is provided by a server in response to the request for a webpage. *See* Shamos Decl. at ¶ 87.

Additionally, there is no motivation to combine Malamud and Nakagawa. Nakagawa is simply directed to distributing software or updates thereto over a network for automatic installation at a client computer. It has nothing to do with changing cursor images and does not relate to any server-browser interactions. *See* Shamos Decl. at ¶ 82.

For all the foregoing reasons, Petitioner's Ground 2 is not likely to succeed and the Petition should be denied.

**K. The Challenged Claims Are Not Rendered Obvious by Nielsen and Malamud (Ground 3)**

- 1. Element 1[Preamble]: A server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal, said system comprising:**

**Element 1[c][iv]: ...said cursor display code is operable to process said cursor display instruction to modify said cursor image...**

To extent that the preamble is limiting, Petitioner does not show that Nielsen teaches the limitations of the preamble. Nor does Nielsen teach the limitations of Element 1[c][iv]. Petitioner admits that Nielsen does not teach a modified cursor, but rather teaches a tooltip functionality in which text and/or a graphic relating to

the object to which the cursor is pointing is displayed in proximity to the displayed object to which the cursor is pointing, instead of being displayed in association with the cursor. (Pet. at 49.) *See* Shamos Decl. at ¶ 91.

Nielsen is not directed to modifying cursor images. Rather, Nielsen is directed to the use of a special HTML extension added to the HTML standard to displays “tooltips.” Similar to Malamud’s application taking advantage of an embellished operating system that supports information cursors, Nielsen discloses the use of this special extension built into HTML to display the “tooltip.” Specifically, Nielsen discloses that a web designer can add a “Tooltip” tag into a webpage’s HTML that invokes the tooltip functionality of HTML and “specify the tooltip text that will be displayed when the cursor reaches the specified text.” The tooltip does not modify or transform a cursor image. Rather, a tooltip text “preferably will be displayed in proximity to” some associated text field when the cursor is moved over that text field. This is shown and described in Nielsen’s Fig. 8 and at 6:21-32. *See* Shamos Decl. at ¶ 91.

Petitioner’s expert states in his ¶ 139 that: “Figures 6a, 6b, and 7 provide flowcharts describing methods for modifying a cursor using a conventional client-server architecture.” This is incorrect. None of those figures mention modifying a cursor. And a tooltip is not a cursor, nor is it a cursor image. It is simply a block of

text that is displayed next to an associated webpage object. *See* Shamos Decl. at ¶ 92.

Petitioner argues that Malamud teaches that the text and/or graphic of Nielsen could be combined with the cursor as a modified cursor. (Pet. at 49.) This is incorrect. The tool tip does not move, nor would it make any sense in Nielsen for it to move because the point of Nielsen is to show the tool tip near the associated webpage text. *See* Shamos Decl. at ¶ 92.

The disparate and limited respective environments of Nielsen and Malamud reinforce that a POSITA would not have been motivated to combine them to arrive at claim 72. Petitioner argues that “[a] POSITA would have been motivated to modify the teachings of Nielsen with the teachings of Malamud such that the tooltip is not just displayed in proximity to the object to which the cursor is pointing, but rather is displayed as part of a modified cursor image to ensure that user sees the supplemental information or graphic.” (Pet. at 49.) A POSITA would not be motivated in this manner. *See* Shamos Decl. at ¶¶ 92 -106.

The HTML “tooltip” extension is specifically designed to only display the tooltip when the cursor is over the associated webpage text, so the user’s attention is already focused on the relevant webpage text for which it is desirable to show a tooltip. It would be contrary to the teachings of Nielsen to show the tooltip any other

time because the cursor may be far away from the relevant text. Imagine, for example, the tooltip displaying “Heathrow” when the cursor is not positioned over the “LHR” text but rather positioned over some other webpage text representing another airport or some other unrelated text. Now instead of a relevant tooltip, there would only be user confusion. Thus, there is no support for the suggested combination and there is no reasonable expectation that a tooltip could even successfully fulfill its intended function if displayed in a modified cursor according to Malamud. *See* Shamos Decl. at ¶ 93.

Furthermore, the suggestion to combine references and the reasonable expectation of success of the combination must be founded in the prior art, not in the applicant’s disclosure. Nielsen only discloses sending specific webpage text for display, and tooltip tag pairs with tooltip text between them that instructs the browser to display the tooltip text when the cursor is positioned over that specific webpage. A POSITA would not have been motivated to modify Nielsen’s tooltip into a cursor modification nor would a POSITA have had any reasonable expectation that the tooltips would function as intended if displayed over unrelated text. First, Nielsen only instructs a POSITA that there has been an addition to the HTML standard that can be used by a webpage developer whereby metadata (*i.e.*, a pair of tooltip tags bracketing tooltip content to be displayed) can be inserted in an HTML file next to

webpage content and instruct the browser to display a tooltip content next to that webpage content, and only when the cursor is stopped for a minimum period of time over that webpage content. It does not suggest modifying the cursor or instruct how to do so. *See* Shamos Decl. at ¶¶ 99-106.

Second, given the nature of a tooltip, the tooltip is relevant only to that specific webpage content and therefore deliberately only displayed next to that specific webpage content and only when the user's attention is already focused on that webpage content because the cursor has been stopped over that webpage content. For example, a tooltip for "London Heathrow" is only relevant to the acronym "LHR" and therefore "London Heathrow" is only displayed when the cursor is stopped over the text "LRH" for a sufficient period of time to indicate that the user's attention is focused on that specific text. Now, Petitioner argues that it would be obvious to replace the tooltip with a modified cursor and the POSITA would be motivated to do so because a cursor is inherently where the user's attention is focused. But the Petitioner does not explain why anyone would want the tooltip "London Heathrow" to be displayed as a modified cursor image when the cursor was moved over the letters "SFO" or any other text than "LHR" or anywhere else on the webpage page far from the letters "LHR." Nor does the Petitioner even attempt to address how the POSITA would modify the teachings of a metadata tag that is part

of the HTML standard and modify it to accomplish the cursor modification explained from columns 7 through 14 of the '102 Patent when there was no pre-programmed solution in the HTML standard to accomplish the presentation of static and dynamic specific images as part of a cursor modification. Nor does Petitioner attempt to address the fact that tooltips were not displayed in response to the movement of the cursor over some triggering webpage content, but rather the exact opposite -- the cessation of cursor movement for a specified minimum period of time. Given the disparate *raison d'être* of a tooltip and a modified cursor image, trying to substitute a cursor modification for the display of a tooltip would be unworkable because a tooltip would be displayed when the cursor was positioned over unrelated text. *See* Shamos Decl. at ¶¶ 95, 103, 104.

Even had there been any motivation to combine Nielsen and Malamud, neither Nielsen nor Malamud nor Petitioner's expert explain how a POSITA would modify an HTML extension to perform a cursor image modification as taught by the '449 patent specification or how to modify a Windows application designed to work in conjunction with an embellished operating system to implement cursor display instruction and cursor display code in an HTML setting with a reasonable expectation of success. *See* Shamos Decl. at ¶¶ 96-101.

2. **Element 1[c][ii]: said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image**

Petitioner argues that a POSITA would be motivated to and it would be obvious to modify Nielsen's tooltip display instructions to make them cursor display instructions, as taught by Malamud. (Pet. at 53.) For the reasons discussed above in connection with the Element 1[preamble] and Element 1[c][iv], such a modification would neither be motivated nor feasible.

3. **Element 1[c][iv]: said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal, and wherein said cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal, and wherein said specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal**

This limitation is not met by the tooltips taught in Nielsen. Nielsen teaches that a cursor must be positioned over webpage content for a specified period of time before the appearance of a tooltip is triggered. (EX1006 at 3:34-45.) Thus, Nielsen does not teach modifying a cursor image "in response to movement of said cursor



image over a display of said at least a portion of said information to be displayed on said display of said user's terminal." For the reasons discussed in Ground 1, Malamud also does not teach this element, and even if it did, its combination with Nielsen is neither motivated nor feasible.

**4. Claims 27 and 38**

Claim 27 is identical to claim 1 with regard to the elements addressed above. For the reasons set forth above, the combination of Nielsen and Malamud does not render claim 27 obvious, nor does it render claim 38 obvious, which depends therefrom.

**5. Element 53[Preamble]: A method for modifying an initial cursor image displayed on a display of a user terminal connected to at least one server, comprising:**

**Element 53[c][ii]: ...said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image...**

For the reasons discussed in connection with Element 1[Preamble] and Element 1[c][iv], these elements are not taught by Nielsen nor is there a motivated and feasible way to combine Malamud with Nielsen to achieve the claimed steps.

- 6. Element 53[c][ii]: wherein said cursor display instruction indicates a cursor display code operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal**

This limitation is not met by the tooltips taught in Nielsen. Nielsen teaches that a cursor must be positioned over webpage content for a specified period of time before the appearance of a tooltip is triggered. (EX1006 at 3:34-45.) Thus, Nielsen does not teach modifying a cursor image “in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal.” For the reasons discussed in Ground 1, Malamud also does not teach this element, and even if it did, its combination with Nielsen is neither motivated nor feasible.

\* \* \*

For all the foregoing reasons, Petitioner's Ground 3 is not likely to succeed and the Petition should be denied.

## **V. CONCLUSION**

Because good reason exists for doing so, the Board should deny institution of trial in this matter.

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**CERTIFICATE OF COMPLIANCE**

Patent Owner certifies that Patent Owner's Preliminary Response contains 13,986 words exclusive of a table of contents, a table of authorities, mandatory notices under § 42.8, a certificate of service or word count, or appendix of exhibits or claim listing, according to Microsoft Word.

Dated: September 14, 2023

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(a) and (b), I certify that on September 14, 2023, a true and accurate copy of this paper, PATENT OWNER LEXOS MEDIA IP, LLC'S PRELIMINARY RESPONSE PURSUANT TO 37 C.F.R. § 42.107(a) and all supporting exhibits were served on the following counsel for Petitioner via e-mail to the correspondence email addresses of record:

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