UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NETFLIX, INC.
Petitioner

v.

OPENTV, INC.
Patent Owner

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Case IPR2014-00252
Patent 8,107,786

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**Patent Owner's Preliminary Response
to Petition for *Inter Partes* Review
of U.S. Patent No. 8,107,786**

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I.   Preliminary Statement

On December 19, 2012, after months of waiting and hearing no response to numerous communications regarding a potential license agreement, Patent Owner OpenTV, Inc. filed a seven-patent willful infringement lawsuit against Petitioner Netflix, Inc. *See* OPENTV Exhibit 2001, Complaint in *OpenTV, Inc., v. Netflix, Inc.* All seven patents relate to Over-the-Top delivery of content (such as movies, television, and other media) over the Internet, and relate to OpenTV's highly successful digital television business that includes over 200 million digital set-top boxes and televisions shipped to consumers with OpenTV software and 80 worldwide customers that run OpenTV solutions. Between December 16, 2013 and December 19, 2013 (the last day possible under the statutory deadline established in 35 U.S.C. § 315(b)) Netflix filed petitions requesting *Inter Partes* Review of four of the seven asserted patents, including U.S. Patent No. 8,107,786 (the "Petition"). The Petition challenged all seven claims of the '786 Patent.

The filing of this Petition is simply another attempt by Netflix to circumvent the patent system and continue its business without any regard for the intellectual property rights of its competitors. Indeed, Netflix's refusal to compensate OpenTV for its ongoing patent infringement is part of Netflix's deliberate strategy to ignore intellectual property of others. Netflix has even gone so far as to publicly state that "[w]e have not searched patents relative to our technology," despite knowing that

many companies are devoting significant resources to develop patents that could potentially affect Petitioner's business. OPENTV Exhibit 2002, Netflix, Inc. Form 8-K Dated January 29, 2013, p. 15. Netflix's attempt to now challenge the '786 patent, after knowing about its relevance to Netflix's business for over 15 months, similarly ignores the plain rules of the patent system. Specifically, the Petition fails to meet this Board's requirement that a Petition "must specify where each element of the claim is found in the prior art patents or printed publications." 37 C.F.R. § 42.104(b)(4). Consequently, the Petition fails to "provide[] an efficient means for identifying the legal and factual basis for satisfying the threshold for instituting *inter partes* review and provide[] the patent owner with notice as to the basis for the challenge to the claims." 77 Fed. Reg. 48688 (Aug. 14, 2012).

Unsurprisingly, given the last-minute filing of the Petition, both grounds raised in the Petition—alleged anticipation of claims 1-6 by *Plotnick* and alleged obviousness of claim 7 over *Plotnick* in view of *Eldering*—are wholly deficient. The Petition's anticipation argument fails to explain whether or how *Plotnick* discloses that each and every feature of claims 1-6 are arranged as recited in the claims, a requirement of any *prima facie* case of anticipation. To the contrary, Netflix's Petition fails to even disclose the existence of the disparate disclosures in the primary reference it relies on for anticipation. *See, e.g., Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). Moreover, the obviousness

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