

Paper No. _____
Filed: April 4, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.
Petitioner

v.

OPENTV, INC.
Patent Owner

Case IPR2014-00274
Patent 6,018,768

**Patent Owner's Preliminary Response
to Petition for *Inter Partes* Review
of U.S. Patent No. 6,018,768**

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I. Preliminary Statement

Netflix's petition challenging OpenTV's market leading invention fails to satisfy the statutory and regulatory requirements for an *inter partes* review petition, so it should be denied. The patented technology relates to Over-the-Top delivery of content (such as movies, television, and other media) over the Internet, which forms a foundation for Patent Owner OpenTV's highly successful digital television business. That business includes over 200 million digital set-top boxes and televisions shipped to consumers with OpenTV software and 80 worldwide customers that run OpenTV solutions. Indeed, The Kudelski Group, of which OpenTV is a subsidiary, has been innovating in the content industry for more than 60 years, and its founder, Stefan Kudelski, has received numerous awards for his innovations in the industry. Just recently, Mr. Kudelski was honored in memoriam as an inventor by the Academy of Motion Picture Arts and Sciences at the 86th Annual Academy Awards in March, 2014.

OpenTV formally notified Petitioner Netflix, Inc., that it was using OpenTV's patented technology, including that of U.S. Patent No. 6,018,768, in its streaming video service, and on December 19, 2012, after nearly 12 months of Netflix ignoring OpenTV's repeated requests for a license, OpenTV filed a patent infringement lawsuit against Netflix in Delaware. *See* OPENTV Exhibit 2002, Complaint in *OpenTV, Inc., v. Netflix, Inc.* Netflix could no longer ignore

OpenTV's patents, but instead of addressing the matter directly, Netflix continued its delay tactics, waiting until the very last moment to file a flawed and incomplete petition for *inter partes* review of the '768 patent, hoping to side-step liability from its continuing use of OpenTV's patented technology.

Netflix's petition requests the cancellation of claims 1-20 of U.S. Patent No. 6,018,768 based on multiple obviousness grounds, all relying on U.S. Patent No. 5,818,441 to Throckmorton et al. ("Throckmorton"). All of these grounds are unconstitutionally, however, because the petition fails to articulate material facts needed to construe the claims, a failing that touches every challenged claim. It also fails to specify where each element of the claims is found in the cited art, and fails to provide a complete obviousness analysis, leaving the proposed obviousness case for every claim fatally flawed in multiple respects.

A petition for *inter partes* review "may be considered only if . . . the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim." 35 U.S.C. § 312. To ensure that this statutory requirement is met, the Board's rules specify detailed requirements for a petition, including an identification of how each challenged claim is to be construed, how each construed claim is unpatentable, and where each element of the claim is found in the prior art. 37 C.F.R. § 42.104(b); *see also* 37 C.F.R.

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