Trials@uspto.gov
571-272-7822

Paper 7
Entered: November 4, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA, INC., and
SAMSUNG TELECOMMUNICATIONS AMERICA, LLC,
Petitioner,

v.

BLACK HILLS MEDIA, LLC,
Patent Owner.

Case IPR2014-00737
Patent 8,050,652 B2

Before BRIAN J. McNAMARA, FRANCES L. IPPOLITO, and TINA E. HULSE, *Administrative Patent Judges.*

IPPOLITO, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Samsung Electronics Co., Ltd.; Samsung Electronics America, Inc.; and Samsung Telecommunications America, LLC (collectively "Petitioner") filed a Petition ("Pet.") on May 8, 2014, requesting an *inter partes* review of claims 1, 3, 4, 6, 7, 10, 11, 13, 42, 44, 45, 47–50, 52, and 55 ("the challenged claims") of U.S. Patent No. 8,050,652 B2 ("the '652 patent"). Paper 1. Patent Owner Black Hills Media, LLC filed a Preliminary Response ("Prelim. Resp.") to the Petition. Paper 6.

We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may be authorized only if "the information presented in the petition . . . and any [preliminary] response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims challenged in the petition." 35 U.S.C. § 314(a).

Pursuant to 35 U.S.C. § 314, we conclude there is a reasonable likelihood that Petitioner would prevail with respect to claims 1, 3, 4, 6, 7, 10, 13, 42, 44, 45, 47, 48, 50, 52, and 55 of the '652 patent. We deny the Petition as to claims 11 and 49.

A. Related Proceedings

We instituted an *inter partes* review of claims 1–4, 6–8, 10, 11, 13, 21, 22, 24–29, 31, 32, 34, 42–45, 47–50, 52, and 53 of the '652 patent in IPR2013-00594, *Yamaha Corp. of America v. Black Hills Media, LLC*, which is currently pending. Ex. 1014. Additionally, the '652 patent is involved in district court proceedings in the U.S. District Court of the Eastern District of Texas, the District of Delaware, and the Central District of California, including the action captioned *Black Hills Media, LLC v. Samsung Electronics Co.*, No. 2:13-cv-00379 (E.D. Tex.) ("Texas Case").

Pet. 1. The '652 patent was also the subject of a proceeding before the U.S. International Trade Commission ("ITC"), *In re Certain Digital Media Devices, Including Televisions, Blu-Ray Disc Players, Home Theater Systems, Tablets and Mobile Phones, Components Thereof and Associated Software*, Inv. No. 337-TA-882 ("the ITC Investigation"). *Id.* at 2. In that proceeding, the ITC issued its initial determination on August 7, 2014. Ex. 2011.

Related U.S. Patent No. 8,045,952 B2 ("the '952 patent") is the subject of *inter partes* review IPR2013-00593 instituted on March 20, 2014, *Yamaha Corp. v. Black Hills Media, LLC*, Case IPR2013-00593 (PTAB Mar. 20, 2014) (Paper 17), and a petition requesting *inter partes* review in IPR2014-00740 for the same parties in the instant proceeding.

B. Real Party-in-Interest

Patent Owner requests that the Petition be dismissed for noncompliance with 35 U.S.C. § 312(a) and 37 C.F.R. § 42.8(b) because Petitioner fails to identify Google, Inc. ("Google") as a real party-in-interest in the Petition. Prelim. Resp. 1–7. Patent Owner asserts that a recently discovered agreement, titled Mobile Application Distribution Agreement ("MADA"), requires Google to "defend, or at its option settle, any third party lawsuit or proceeding brought against [Petitioner]" and arising out of any claim that Google products and services used in Petitioner's products infringe any patent. *Id.* at 3. Patent Owner states that "under the MADA, Google has full control of the defense and settlement of any third-party infringement action implicating Google's products and services, including any proceeding, such as this Petition." *Id*. at 4. Although the Petition is not an infringement action, Patent Owner appears to argue that the Petition arose

from the infringement claims in the Texas Case and the ITC Investigation discussed above. *Id.* at 4–5. Patent Owner further asserts that Google sought to intervene in the ITC Investigation and that Google's motion to intervene asserted "a compelling interest" in the investigation. *Id.* at 5.

On this record, we are not persuaded Google is a real party-in-interest in this matter. A determination as to whether a non-party to an *inter partes* review is a real party-in-interest is a "highly fact-dependent question," based on whether the non-party "exercised or could have exercised control over a party's participation in a proceeding" and the degree to which a non-party funds, directs, and controls the proceeding. *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,759–60 (Aug. 14, 2012). Thus, the issue is whether there is a non-party "at whose behest the petition has been filed" or a relationship "sufficient to justify applying conventional principles of estoppel and preclusion." *Id.*

The MADA and the Google motion to intervene in the ITC Investigation, are not persuasive evidence that Google is in position to exercise control over Petitioner's involvement in this proceeding. Google's indemnification of Petitioner for infringement claims brought by third parties, such as that in the MADA, does not, by itself, mean that Google may exercise control over Petitioner's actions in this proceeding. In addition, Google's expression of an interest in the ITC proceeding does not mean it has the same interests as those of Petitioner. We, therefore, do not deny the Petition for failure to comply with 35 U.S.C. § 312(a) and 37 C.F.R. § 42.8(b)(1).

The Patent Owner Preliminary Response includes an informal request for discovery concerning Google's role in this proceeding. Prelim. Resp. 7.

The Preliminary Response is not a vehicle for requesting additional discovery. 37 C.F. R. § 42.107; *see also,* 37 C.F.R. § 42.51. In IPR 2014-00717 (Paper 17) and IPR 2014-00735 (Paper 17), we granted in part Patent Owner's authorized motion for additional discovery in those proceedings.

C. The '652 Patent

The '652 patent is directed to methods and apparatuses that allow users to receive and play audio from various sources and to assign playlists over a network to a network-enabled audio device. Ex. 1001, Abstract. The Specification lists several problems with prior art systems such as the cost and technical complexity associated with listening to streaming audio over the Internet and playing songs on a PC. *Id.* at 1:52–2:12. The invention of the '652 patent was intended to alleviate such issues "by providing a network-enabled audio device for listening to a variety of audio sources with substantially equal convenience." *Id.* at 2:15–19.

In Internet radio mode, the device described in the '652 patent receives and plays a broadcast from an Internet radio station. Ex. 1001, 10:3–12, 10:49–57. The device also may work in conjunction with a computer. *Id.* at 16:32–35. In that embodiment, software may be used to assign a playlist of songs to a network-enabled audio device. *Id.* at 32–36. This embodiment is illustrated in Figures 15 and 19B of the '652 patent.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.